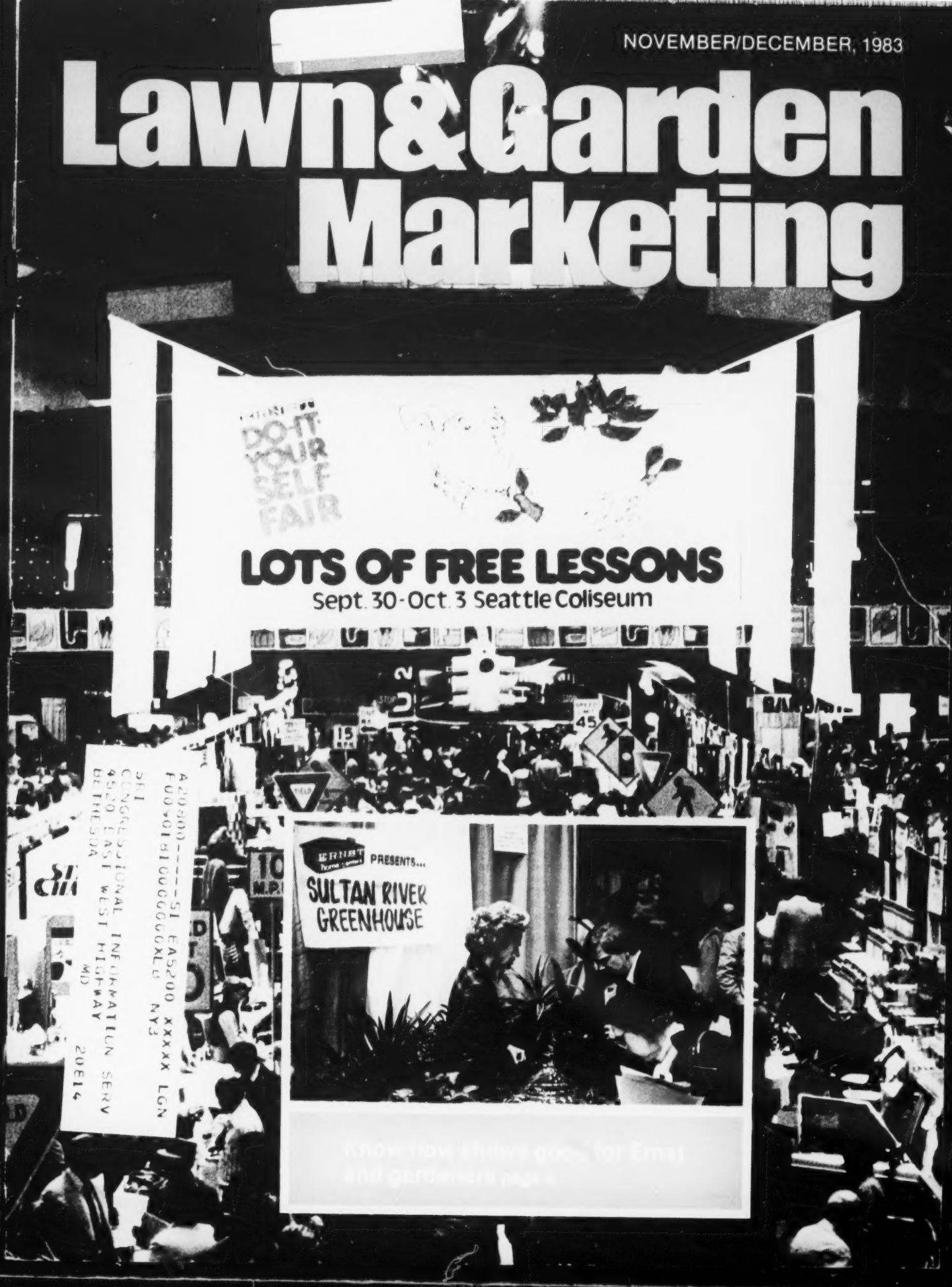
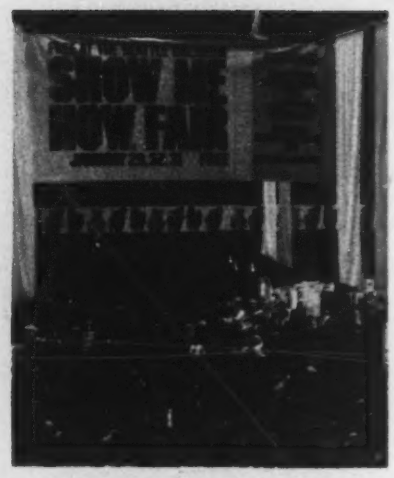
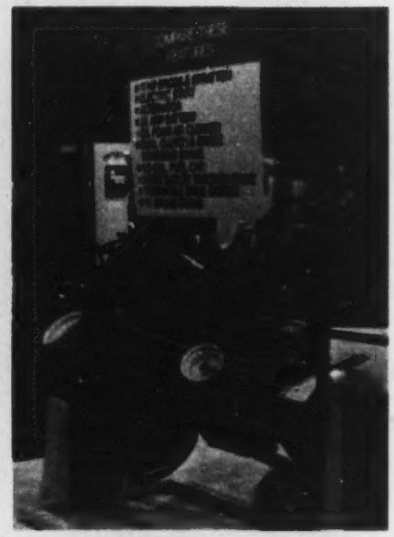
NOVEMBER/DECEMBER, 1983

Lawn&Garden Marketing





6 Know-how shows spur sales to do-it-yourselfers. No selling is allowed but high profits result from the twice-yearly Ernst-Malmo Home Center fairs.



12 Fall trade shows: more bullish than bearish. An air of optimism pervaded the major national and regional fall shows; sales and prices are firm or rising.

NOV./DEC., 1983 VOL. 22 No. 10 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 Know-how shows spur sales to do-it-yourselfers.

8 Launching new products. Whether a product is technologically or cosmetically new, its successful introduction to the marketplace must be carefully orchestrated.

12 Fall trade shows: more bullish than bearish.

40 Calendar. Listing of events in 1984.

46 Index of articles for 1983. Feature articles for the past year are listed.

54 Vic Foster heads NLGDA. Representatives of the 65 member companies of the National Lawn and Garden Distributors Assn. hold elections at their 13th annual convention, mid-September, in Dearborn, MI. Supplier exhibits were featured.

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50 New Products
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62 People on the Move

Coming in January: As compliance mowers enter their second year, a major retailer discloses his strategies. An English gardening expert foresees a "golden era" for horticulture in the U.S. Our spring ad campaign planner for L & G product retailers and the ABCs of garden cutting tools.

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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Green Scene

Christmas tree grows anywhere

The Dazzler is a heavy-duty steel skeleton shaped like a Christmas tree (left). It holds potted poinsettia plants (center) or flowers. The tree on the right contains potted Chrysanthemums. The tree is marketed by Bachman's Inc. It comes

in 16 sizes ranging from 8 feet 6 inches to 24 feet 8 inches. Shipping weight is 230 to 3,619 pounds. Trees hold from 76 to 571 individual plants. The tree has a built-in watering system that provides each plant with an equal amount of water. Contact Bachman's, Commercial Sales, 6010 Lyndale Ave. South, Minneapolis, MN 55419, (612) 861-7729.

Top ten favorite outdoor activities

as selected by the following numbers of U.S. households

Flower gardening	40 million
Vegetable gardening	35 million
Exercise/physical fitness	26 million
Fishing	26 million
Bicycling	19 million
Camping	17 million
Jogging	16 million
Hunting	14 million
Tennis	10 million
Golf	10 million

Source: Leisure activities/1983 Gardens for All/Gallup Organization survey conducted July, 1983.
U.S. household population/current population report, U.S. Bureau of the Census: July 1983 estimate, 84.5 million households.

The Gardens for All/Gallup-National Garden Survey Fact Sheet on U.S.A. household garden activities can be ordered from Gardens for All, Dept. T11, 180 Flynn Ave., Burlington, VT 05401. Send $1 to cover postage and handling.

Hose-end sprayers for less

Wholesale prices on all Acme Burgess hose-end sprayers have been rolled back to 1980 levels for the spring 1984 buying season. The price cuts, which encompass all four models of the sprayer, are effective through July 31, 1984.

Rosso elected AAN president

R. Jerry Rosso was elected president of the American Assn. of Nurserymen during its 108th annual convention and trade show in Montreal, Quebec, Canada. He is secretary and treasurer of Julius Rosso Wholesale Nursery Co. in Seattle and 400 member firms in the Pacific Coast area.

1983 inventory figures down

The American Assn. of Nurserymen reports that, according to a recent survey of its retail members, 44 percent of the retail nursery firms in the United States purchased more living plants for the spring 1983 season than they bought for the previous spring. Fewer of the surveyed firms said they would be carrying over more plants into this fall than they did into the fall of 1982.

"Did you purchase more or fewer plants for spring 1983 than for spring 1982 sales?"

More	**44 percent**
Fewer	**35 percent**
Same	**21 percent**

The national average reported was 1.2 percent more plants purchased this spring than last.

"Will you carry over more or fewer plants into fall 1983 than you did into fall 1982?

More	**41 percent**
Fewer	**28 percent**
Same	**31 percent**

The average reported nationally was 2.3 percent more plants carried over this fall than the previous year.

Research grant awards

The California Assn. of Nurserymen Endowment for Research and Scholarship (C.A.N.E.R.S.) awarded $73,500 to 18 various research projects being conducted on behalf of the nursery industry at the Riverside and Davis campuses of the University of California. The largest amount awarded to a single project was $17,000 for soil fumigation research for nematode control and nursery-product certification.

Mid-Am '84 in Chicago

The 1984 Mid-American Horticultural Trade Show will be held Jan. 13-15 at the Hyatt Regency in Chicago, IL. The show is sponsored by the Illinois Landscape Contractors Assn., Illinois State Nurserymen's Assn. and the Wisconsin Landscape Federation. Contact Donn W. Sanford, Mid-Am '84, 4300-L Lincoln Ave., Rolling Meadows, IL 60008, (312) 359-8160.

Power Equipment Report

Vol. 4 No. 10 November/December 1983

Small decline in 1983 L&G shipments

Twelve-month shipments of walk-behind power mowers, lawn tractors and riding mowers, riding garden tractors and rotary tillers decreased by 4.6 percent in comparison to the previous model shipment year, according to estimates by the Outdoor Power Equipment Institute (OPEI).

The model year for these products is Sept. 1, 1982, through Aug. 31, 1983. The F.O.B. factory shipment value for these products increased 3.4 percent from $1,646 million to $1,702 million in 1983.

By product category, the most significant growth was for lawn tractors and riding mowers, which experienced an increase of 5.7 percent over the 1982 model year.

Walk-behind power mowers totalled 4,400,000 units, a decline of 4.3 percent over 1982 when the estimate reported 4,600,000 units shipped. However, the F.O.B. value increased 3.1 percent from $674 million in 1982 to $695 million for model year 1983.

The largest decrease in this product group was registered by rotary tillers.

Following tillers, riding garden tractors shipment data reflected a decline of 11.6 percent.

Key Lawn and Garden Shipments—1983 Model Year (Estimated)

Product	Unit Shipments 1983	1982	Change %	F.O.B. Shipment Value 1983	1982	Change %
Walk-behind power mowers	4,400,000	4,600,000	– 4.3	$ 695 MM	$ 674 MM	+ 3.1
Lawn tractors/.						
riding mowers	691,000	654,000	+ 5.7	600 MM	549 MM	+ 9.3
Front engine	415,000	393,000	+ 5.6	395 MM	359 MM	+10.0
Rear engine	276,000	261,000	+ 5.7	205 MM	190 MM	+ 7.9
Riding garden tractors	129,000	146,000	–11.6	275 MM	280 MM	– 1.8
Rotary tillers	408,000	497,000	–17.9	132 MM	143 MM	– 7.7
	5,628,000	5,897,000	– 4.6	$1,702 MM	$1,646 MM	+ 3.4

B&S and union agree to 3-year contract

The Allied Industrial Workers of America local in Milwaukee voted to accept a three-year contract with Briggs & Stratton, ending a 90-day strike by about 7,600 workers, according to a report in the Nov. 1 issue of the *Wall Street Journal*.

The contract provides for an employee profit-sharing plan and a $200 monthly pension supplement for workers who retire before age 62, and calls for a wage freeze during the first year, a 2 percent pay raise in the second year and a wage freeze in the third year.

The company said the strike halted engine production, which accounted for 94 percent of the company's $613.8 million in sales in the year ended June 30. The report said that the contract will expire Aug. 1, 1986.

Yahn heads new company: Aircap Industries

C. H. "Chuck" Yahn has been named president and chief executive officer of Aircap Industries. The company was formed by Wesray Corp. from Sunbeam Outdoor Co. and Aircap Manufacturers, two companies Wesray acquired from Allegheny International.

Two executive vice presidents have been named: George B. Briggs, operations, and Joseph V. Rund, marketing sales.

Aircap Industries has two divisions: an Eastern division in Manning, SC, and a central division and headquarters in Tupelo, MS.

Electric lawn mowers will continue to be marketed under the Sunbeam trade name for an unspecified length of time under an agreement reached with Allegheny. Gas lawn mowers will continue to be sold under the Aircap and Mastercut trade names.

The company plans to continue to be a strong force in the private label lawn mower business in the electric and gas fields.

"Aircap Industries will rely heavily on innovation, quality and performance to carve for itself a greater share of the lawn mower and related outdoor products markets," Yahn said.

"An immediate example is our development of the two molded deck mowers introduced at the recent National Hardware Show. One is gas-powered, one electric. They are lighter and more maneuverable than steel or aluminum deck mowers of comparable width and advance the state of lawn mower art," Yahn said.

Briefs

The Ariens Co., Brillion, WI, celebrated its 50th anniversary. The outdoor power equipment manufacturer started production of the first domestic-built rotary tiller Sept. 11, 1933.

Dixon Industries celebrated its 10th anniversary with a national sales meeting in Tulsa, OK.

Beaird-Poulan/Weed Eater announced plans to participate in activities at the 1984 World's Fair in New Orleans, LA, May through November, 1984. The company will be a part of the Energy Saving House, an exhibit designed to demonstrate energy-saving products and practices.

NHWMA Log Splitter standards: see page 66.

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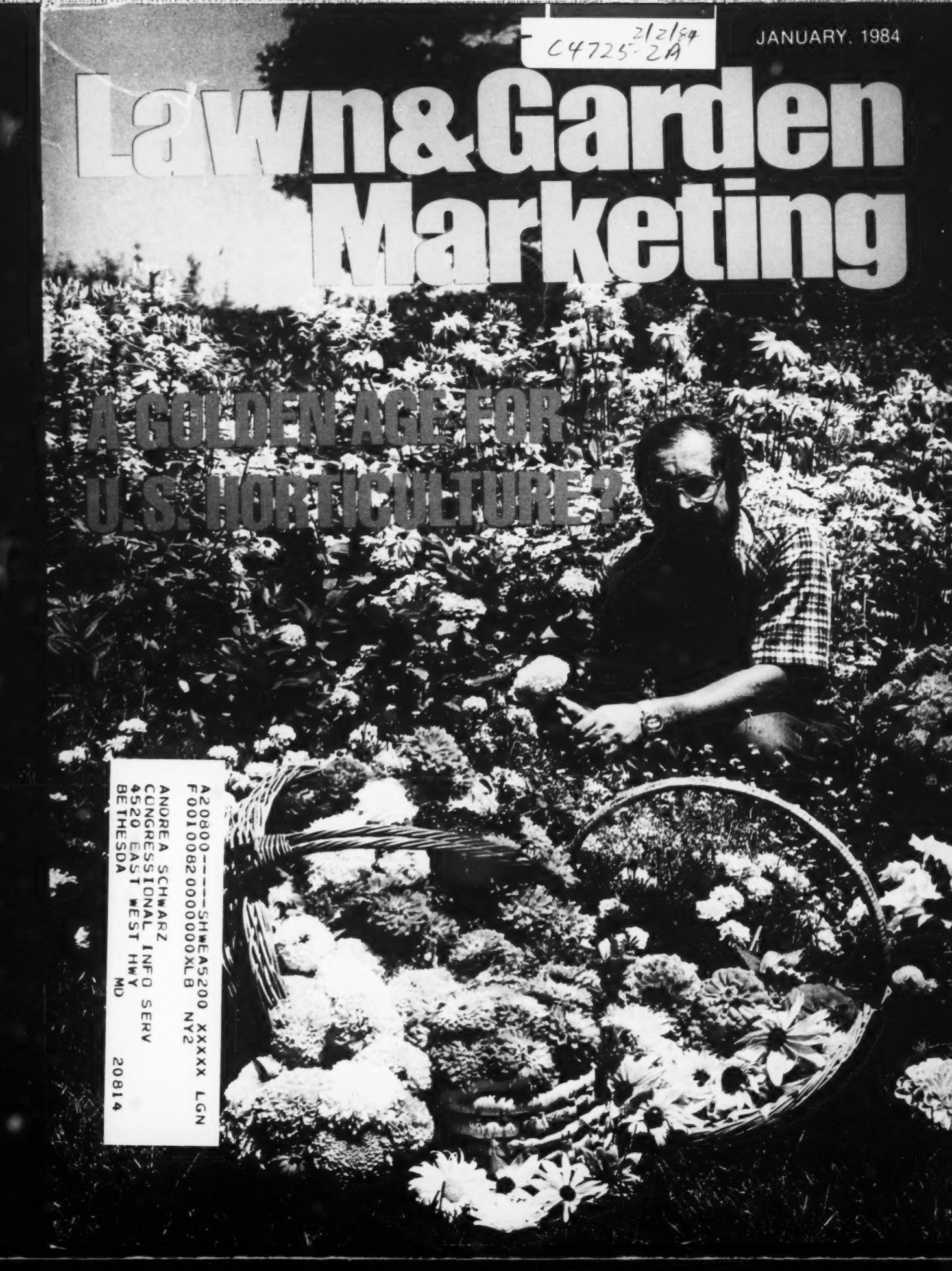
JANUARY, 1984

Lawn & Garden Marketing

A GOLDEN AGE FOR U.S. HORTICULTURE?



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JANUARY 1984 VOL. 23 No. 1 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 A new golden age for horticulture?

12 On vegetable gardening: Gardens for All research director discusses differences between Gallup survey and Simmons market research.

16 2nd Winter National Hardware Show. Hardlines will head west Feb. 11-13 when the AHMA-sponsored winter show takes over the Las Vegas Convention Center. A listing of lawn and garden-oriented exhibitors is in this report.

30 PREPRINT: It's a word to watch in the ad world. Jim McConnell, Costitch & McConnell Advertising Inc.; Mal Downie of Rosedale Nurseries Inc., Hawthorne, NY; and ACE Hardware Corp.'s advertising production manager, Jim Smith, point out the upgraded quality and lower cost of preprinted advertising circulars.

40 Compliance mowers: year 2.

6 A new golden age for horticulture? A lucrative home-horticulture market awaits, but U.S. industry efforts are misdirected, according to a gardening expert from England.

40 Compliance mowers: year 2. A successful OPE dealer, Lou Lang, manager, Milbradt Equipment Co., West St. Louis, MO, describes updated servicing and merchandising policies that are consistent with the new compliance-mower designs.

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Coming in February: More sales from small power units, an update on marketing trends for trimmers, blowers and power hoes. As patio products boom, why? And what does it mean to retailers? How retailers build store traffic—their best promotions in 1983. The ABCs of Planters. For LGM's Product Movement Report, dealers record fall sales of selected lawn and garden merchandise.

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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GFA compares Gallup, Simmons data
REPORTS MEMBERSHIP OVER 200,000

Editor's note:
In order to clarify what might appear to be wide differences in data from the Gallup poll and Simmons market research (see page 6), **LGM** contacted the research director of Gardens for All, Bruce Butterfield, who provided the following analysis. A copy of this analysis also was provided to Simmons Market Research Bureau Inc., which authorized the reference to the Simmons data in the context of this article.

The 1982-83 GFA/Gallup National Gardening Survey

■During July and August 1982 the Gallup Organization personally interviewed a representative sample of 3,032 households in all 50 states. Respondents were asked: *Do you or does any other member of this household have a vegetable garden this year?* Among all households surveyed, 46 percent or an estimated 38 million households reported having a vegetable garden. Households that did not have a vegetable garden were asked: *Even though you don't have a vegetable garden, did you happen to grow just a few vegetables in containers or along with flowers for example?* Among households that did not have a vegetable garden, 14 percent or an estimated six million households said that they grew a few vegetables in containers or along with flowers. In total, an estimated 44 million households or 53 percent of the 82.5 million U.S. households grew some or all of their own food in 1982. These findings are in line and consistent with the trendline for vegetable gardening in the U.S. that we have found in our studies each year for the last 10 years.

In 1983, the percentage of U.S. households with a vegetable garden declined to 42 percent. This decline undoubtedly had a negative impact on many companies in the gardening industry.

Percentage of U.S. Households With A Vegetable Garden 1972-1982

1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
%	%	%	%	%	%	%	%	%	%	%
42	46	47	49	44	43	41	42	43	47	46

The 1982 Simmons Market Research Study

The Simmons Market Research Study provides marketing information on a wide range of products, services and media that U.S. consumers purchase and use. Vegetable seeds are included among Simmons' listing of more than 500 products and services that respondents record on a written questionnaire they complete by themselves, **not** in personal interviews. Participants are asked: *About how much money did you, yourself, spend in the last 12 months on....(product)?*

In 1982, Simmons found that a total of 30 percent of respondents purchased vegetable seeds (13 percent spent less than $5 and 17 percent spent more than $5). It should be noted that this figure is only for purchases that the respondents made themselves and does not include purchases that were made by other household members. For example, if a housewife were filling out the Simmons' survey and she did not purchase vegetable seeds but her husband did, there would be no record of that purchase even though someone in the household grew vegetables. We have found that including all household members in this kind of research increases the incidence (of gardening households) by an average of 10 percentage points. In fact, in 1981 when we changed the question we ask on the GFA/Gallup National Gardening Survey about lawn and garden activities to include all household members (instead of asking respondents to indicate only those activities of the respondents themselves), the percentages increased as follows:

Lawn and Garden Activity:	1980 %	1981 %
Lawn Care	52	65
Indoor Housplants	40	51
Flower Gardening	37	47
Shrub Care	31	43
Fruits/Berries	21	35

It's reasonable to assume that if Simmons' question were written to include purchase of vegetable seeds by all household members instead of only respondents themselves, the percentage of U.S. households that purchase vegetable seeds would be around 40 percent rather than 30 percent.

Not all vegetable gardeners purchase seeds however; only about 80 percent do so. The remaining 20 percent plant their gardens using started bedding plants like tomatoes, peppers, broccoli, etc. Of course many buy both plants and seeds. This means that there is an additional group of vegetable gardeners not reflected in Simmons' numbers for vegetable seed sales. A conservative estimate of the percentage of U.S. households that have a vegetable garden that is planted solely from bedding plants is 5 percent, based on responses to the National Gardening Survey for the last three years.

The bottom-line for vegetable gardening in the U.S. based on Simmons' data is as follows:

30% of Simmons' respondents purchased vegetable seeds for themselves.
10% of other household members in the Simmons' Study purchased vegetable seeds.
5% of U.S. households that have vegetable gardens only buy bedding plants and do not buy seeds.

45% Total percentage of all U.S. households with a vegetable garden in 1982.

As you can readily see, instead of the polls being poles apart as Derek Fell's article suggests, the data from both sources is quite consistent and say essentially the same thing, once all the information is clarified.

Gardens for All's active paid membership as of Nov. 23, 1983 is 201,801 according to a computer printout from our outside list management/fulfillment service. We have seen our membership increase steadily since becoming independent from Garden Way and look forward to continued success....

Bruce Butterfield, research director.

□

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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FEBRUARY 1984

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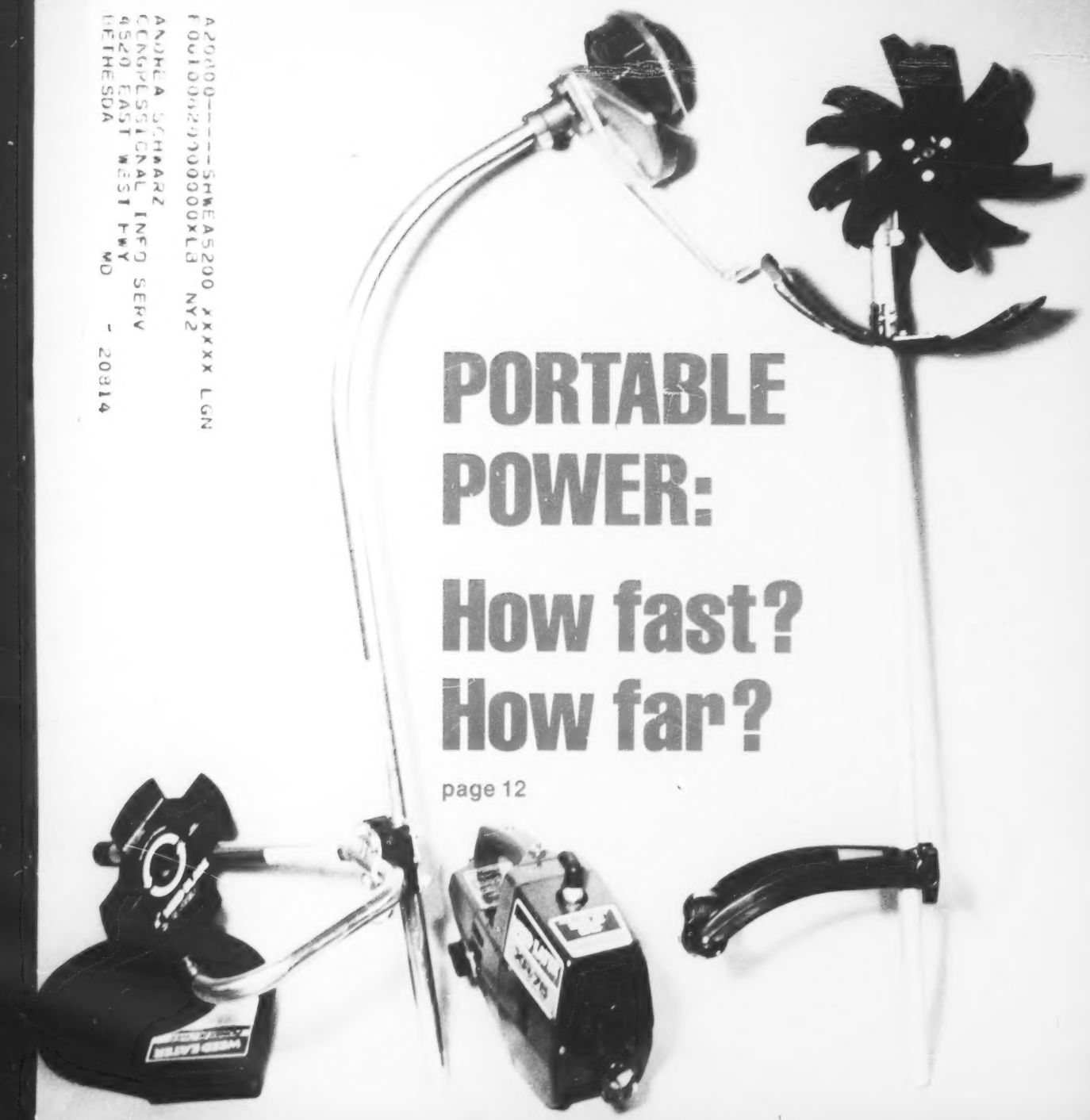

PORTABLE POWER:

How fast? How far?

page 12

FEBRUARY 1984 VOL. 23 No. 2 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products

12 PORTABLE POWER SALES CURVE How fast will the demand accelerate for small, hand-held L & G power equipment, and how far will it extend? Multiuse accessories and professional-caliber performance are invigorating the market.

27 TRAFFIC-BUILDING EVENTS Price becomes secondary when it's fun for the family to shop during creative selling events affirmed by participant retailers as generating good profits.

12 Portable power sales curve How fast? How far?

16 Leisure-living products move to the forefront. Nationwide, patio-type products continue trending up. In one state, Florida, sales are spurred by displays that include the soothing enhancement of bubbling or falling water.

27 Traffic-building events When it's fun to shop, price becomes secondary.

36 Product movement survey Fall sales trends of eight product lines are indicated by retailers responding by region to our continuing, seasonal survey.

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48 Power Equipment Report
50 New Products

Coming in March: A distributor describes the computer as a tool to control inventory and boost profits. Steve Trusty traces marketing chemicals from manufacturer through retailer. **LGM** considers contract application of fertilizers and chemicals: an opportunity for retailers or only a threat? Also, the ABCs of ignition system.

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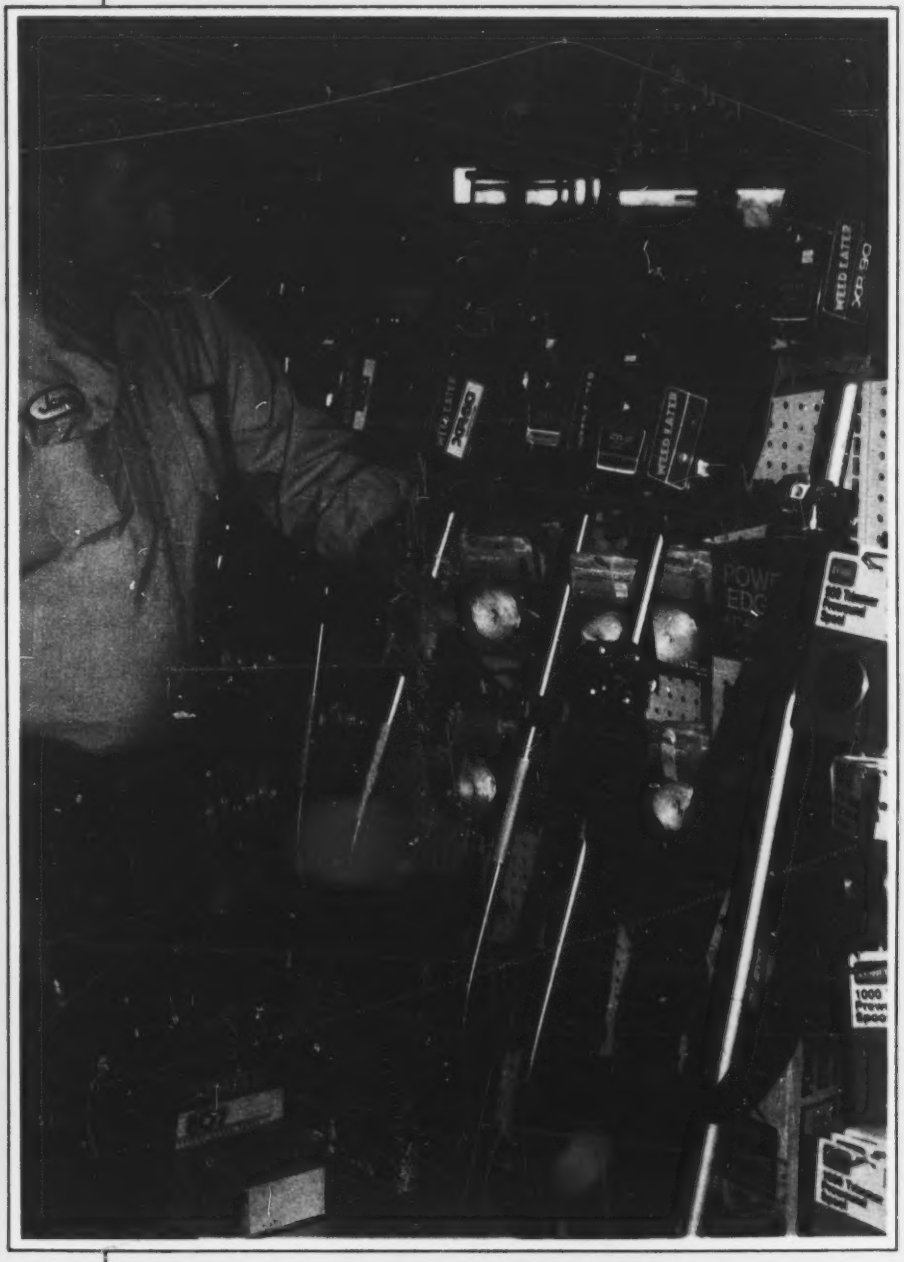
PORTABLE POWER SALES CURVE

How fast? How far?

By Wendall J. Burns



1. Second time buyers look for quality, frequently go for gasoline.

■Will the consumers' ownership of the lightweight, portable power equipment—spin trimmers, blowers, vacuums, cultivators—ever add up to the unit volume of rotary mowers, which often is seen as a benchmark for the power equipment sales?

How far will the annual shipment curve go? How quickly will this market reach maturity?

An informal survey of suppliers shows there is renewed confidence in the growth of the portable power units mentioned above, especially when considering additional accessories to give them greater utility around the home.

One of the major suppliers, Beaird-Poulan/WeedEater, reported that 85 percent of the owners of mowers also own spin trimmers. These units, which peaked in sales volume in 1979, now are making a resurgence in sales volume, with second-time buyers stepping up to better quality. Many of them are turning to gasoline-powered units to replace the lower-cost electric models they purchased the first time.

The blower/vacuums continue to gain in popularity with the public, with professional users, and with retailers and distributors. The introduction of electric models in recent years has made them more popular with consumers. The ease of using a 100 mph or faster jet of air as a substitute for sweeping tasks has the more powerful gasoline engine-powered blower/vacuums gaining favor with the public. Blower vacuums have been used by professional grounds-care personnel for 25 to 30 years.

Multiuse units help

The past two years have seen still

other innovations and improvements that make the portable power units, in a sense, a single product category, and ever more popular.

Multiuses for a single power source help consumers save money. One company now offers five tools that can be powered by one engine and shaft: blower, spin trimmer, cultivator, snow blower, edger (Beaird Poulan). Other companies offer units with two, three and four of these tools to be used with a single engine and shaft.

Also, the concept of the blower as a diversified tool continues to expand. The same device that can blow leaves off the patio can be used to blow grass clippings from the sidewalk or driveway after mowing, can blow dead leaves off the shrubs so that the dried brown leaves do not mar the beauty of the greenery; they are used to blow-dry sidewalks, pets and cars; to clean gutters and light coverings of snow on home surfaces.

Data from **Lawn & Garden Marketing's** Product Movement Report show a steady increase in sales of blowers and spin trimmers, even while other power equipment categories were level or showing a downturn.

In every region of the country, sales of leaf blowers/vacuums were reported to be up by retailers responding to the Product Movement Report for Fall, 1983 season. There was a particularly marked increase in unit volume in the West, which has been a strong market for these units for years. A total of 41 percent of the retailers responding to the question about blower/vac sales reported increases over the 1982 fall sales volume; 18 percent of those responding said volume was up from 15 to 24 percent over the previous year's volume; and 5 percent said their sales were up 25 percent over the previous year. (See Product Movement Report page 36 for greater detail, by region.)

It is notable that the distribution of the blowers is greater in the West and the South, compared to the other two major census regions, the Northeast and North Central.

Also notable, the **LGM** research data show that 73 percent of the retailers of outdoor power equipment responding to the survey handle blower/vacuums; about 85 percent handle spin trimmers.

Price points of gas spin trimmers

PRICE	% OF UNITS SOLD
Under $130	36%
$140-$170	39
$170-$200	7
$200-$250	12
$250-$300	3
Over $300	3
	100%

Source: Echo Inc.

Reasons for buying (Previous spin-trimmer owners)

	% of buyers
Old unit down	50%
Wanted more power	30
Didn't like cord	15
Misc. reasons	5
	100%

Source: Echo Inc.

Double-digit growth curve

Sales volume of spin trimmers is said to be in the double-digit growth rate: that is, above 10 percent annually. How much above 10 percent is open to question. One manufacturer said the increase in industry shipments of the trimmer/brush cutter product category for the first nine months of the 1983 calendar year was 23 percent greater than in 1982. However, the spokesman for another major manufacturer believes the annual growth rate is above 10 percent, but not at 23 percent. It is agreed that even a 10 percent growth rate is a significant annual increase.

Steve Moore, advertising manager for Beaird-Poulan Inc. said that the concept of "added value" of the diverse uses the consumers can get from the one engine and shaft hanging on their walls of garden tools is a big motivator in that market. The consumer wants more time for leisure, fewer and less expensive items of equipment, and ease of use. The ease of four or five tools that can be added or detached to the single engine and single shaft with one bolt, is appealing to the value-minded, leisure-minded public.

Another company, Tanaka Kogyo Inc., Kent, WA, has come up with a trimmer with an automatic device to feed the proper length of cord without operator assistance. Bill Thompson, president of Tanaka, said the company set out less than a year ago to develop the automatic feed and is offering this to the public as a new feature on its units this spring.

Profile of trimmer buyers

A profile of the buyers of spin trimmers was described for retailers and distributors who attended the seminar on outdoor power equipment during the National Hardware Show in Chicago. The data and interpretation was presented by Donald A. Bartelt, senior vice president of marketing, Echo Inc., and also board chairman of the Chain Saw Mfrs. Assn. The chain saw manufacturing companies have been especially instrumental in the technical development and marketing of the portable power units.

continued...

Bartelt said that 55 to 60 percent of the buyers are first-time buyers, with the other 40 to 45 percent of the buyers being second- or third-time buyers of trimmers. Thirty percent of the buyers are female, an increase over previous years. Of the buyers of gasoline-powered units, 15 percent are female. Generally, Bartelt said, the purchasers of the gasoline units have larger lots, with 80 percent of them having one-fourth acre or more. The age bracket with the highest frequency of gas trimmer purchases is 30 to 40 years.

Time, place of purchase

"We found that 65 percent (of trimmers) were purchased in May, June and July, with June representing about 30 percent," Bartelt said. "This figure varies, depending on construction of the unit...For instance, the selling season is considerably longer for straight shaft units and units capable of being used as both a monofilament trimmer and brush (bladed) cutter. These (latter) units are sold and used throughout the year." He said that 25 percent of the market is for brush cutters, rather than grass and weed trimming.

He pointed out that the market is concentrated in the consumer end of the product spectrum, with 75 percent of all units sold priced under $169.95.

Bartelt said there are about 4.5 million trimmers sold annually in the United States, with 70 percent being electric and 30 percent gasoline. But, 70 percent of the dollar volume for the units is for the gasoline models. This is the fastest-growing segment.

Hardware/home centers lead in sales volume. They sell 24 percent of the units, Bartelt said. Here is how the other retailer categories rank in selling these units: department stores, 20 percent; discounters, 16 percent; outdoor power equipment retailers and lawn and garden outlets have 30 percent of the market.

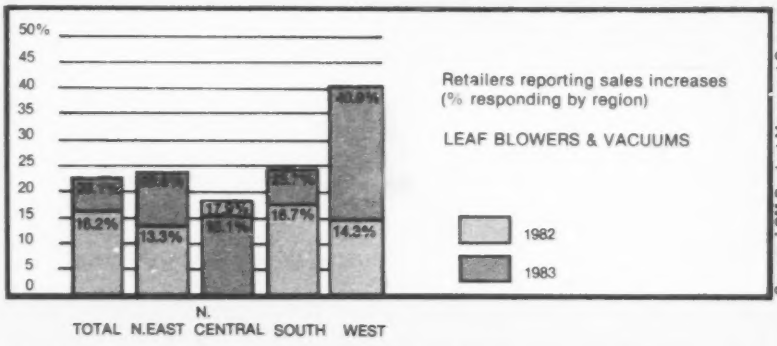
The distribution and profit picture of the spin trimmers has come from zero to around $500 million in 10 years.

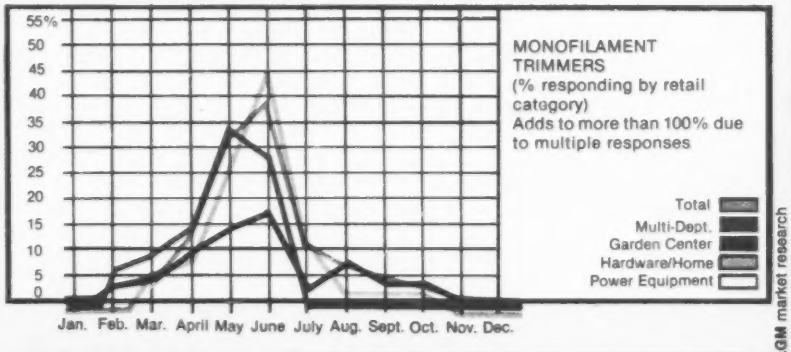
HMC Inc. has introduced a gasoline-powered weeder/cultivator, after having successfully introduced an electric model. The potential for this category of product, supplied also by Beaird-Poulan and other manufacturers, is believed to be significant, but the units need to be demonstrated to show that they are durable, effective labor-savers.

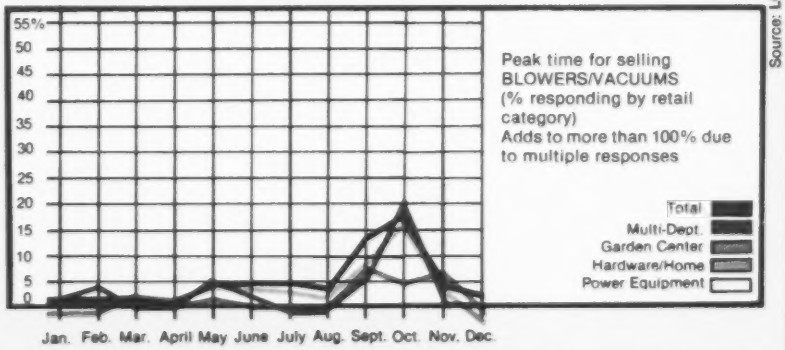
With the increased interest in small beds for flowers and vegetables and the continued involvement of the public in lawn and garden activities, the demand for a portable, powered hoe or cultivator and for smaller tillers with wheels is expected to grow, according to some researchers of this market.

In short, the market for portable power products for lawn and garden will go far. How fast depends on the economy, the weather, and the willingness of the retailers to display and demonstrate these units. □

2. Electrics popularize concept of blowers.







Product Movement Report, autumn, 1983

■Retailers responding to the quarterly product movement survey reported an overall flat sales curve for the 1983 fall selling season.

In seven of the eight categories, retailers reported that sales were about the same as last year. In four of those categories, more dealers reported sales to be up than down.

Kerosene heaters were the only product to show a sharp decline. Fewer dealers are carrying them because of weather, competition and bad publicity. These responses were given before the snow storms and cold weather that hit much of the nation in December.

Preseason snow thrower sales were reported to be the same as last year, but more dealers who reported a change reported sales to be down than up, except in the Northeast, where sales were up. The number of dealers carrying snow throwers has declined 23 percent. The December storms may have improved winter sales in this product category, also.

Chain saw sales were reported to be the same or better than last year by 54 percent of the respondents. In the West, 42 percent said sales were up. The Northeast reported sales to be the same as last year, but 74 percent of the respondents carry the product, almost 10 percent more than last year.

Leaf blower/vacuum sales are holding their own, with 61 percent of the respondents reporting sales to be the same or better than last year. The product is growing in popularity; 73 percent stock them compared with 62 percent last year.

Most respondents reported that garden tool sales were the same as last year. The number of dealers carrying garden tools remained about the same.

Lawn fertilizer sales are slipping. Though 37 percent reported sales to be the same as last year, 34 percent said they were down. Sales were best in the Northeast, where 38 percent reported increases.

With 79 percent of the respondents indicating sales to be the same or better than last year, grass seed is in a favorable position, especially in the North Central region, where 46 percent said sales are up. This continues a slight upward trend.

Bulb sales were reported to be up or the same by 47 percent of the respondents—which is impressive since this is a large part of the 56 percent of the respondents who carry bulbs. This appears to be a good product for those who carry it, though that number has declined slightly. □

Eight product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %
Chain saws	sales up	23.2	20.6	13.2	30.6	41.7
	sales same	30.5	32.8	30.6	30.5	27.8
	sales down	18.4	20.7	24.5	11.9	8.3
Leaf blowers/ vacuums	up	23.1	23.6	16.1	23.7	40.9
	same	38.1	31.6	35.6	42.0	50.0
	down	11.3	13.2	9.6	15.9	4.6
Kerosene heaters	up	1.2	.....	.....	5.2	.....
	same	5.0	2.6	9.7	2.6	.....
	down	26.9	26.3	24.2	34.2	22.8
Snow throwers	up	14.4	31.5	11.3	7.9	4.6
	same	31.1	36.8	43.5	10.6	22.7
	down	19.5	26.4	32.3	2.6	.....
Garden tools	up	16.5	17.3	15.8	14.6	19.3
	same	54.6	63.4	50.0	56.3	48.4
	down	17.8	15.5	13.2	25.0	22.6
Lawn fertilizers	up	27.5	37.5	20.0	29.6	23.6
	same	37.2	34.3	40.0	33.4	41.1
	down	34.4	28.2	37.5	37.0	35.3
Grass seed	up	38.2	38.5	46.1	31.2	29.0
	same	40.6	51.8	34.2	37.5	41.9
	down	13.5	7.8	14.5	18.8	13.0
Bulbs	up	17.5	13.5	17.1	14.6	29.0
	same	29.0	38.5	23.7	35.4	16.1
	down	9.7	11.5	11.8	4.2	9.7

Percentages do not add to 100 because all respondents do not carry all products.

Current inventory of chain saws (median no. of units per store)	17.1	17.3	14.5	20.6	20.0

MARCH 1984

Lawn&Garden Marketing

'Smarter Inventory'

Managing parts in the computer

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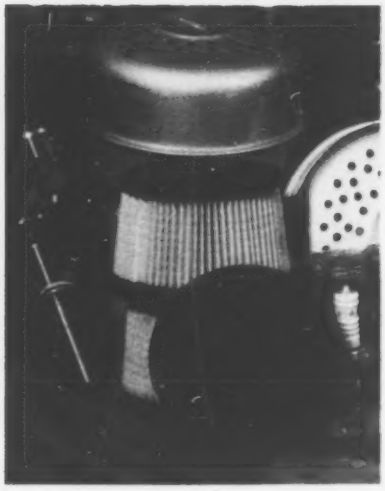
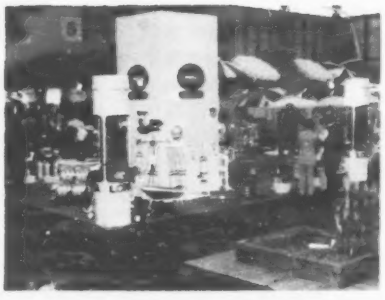
MARCH 1984 VOL. 23 No. 3 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.



8 'Smarter Inventory' Gardner Inc. of Columbus, OH, manage over 63,000 parts with a computer. Although processing time is improved, compatibility between its and dealers' computers is sometimes a problem. Many view it as a first step.



36 Six trade associations sponsor GLEE A show run "by the trade for the trade," GLEE is one of England's largest lawn and garden shows. Located at Birmingham, in the heart of the English midlands, the show is gaining a truly international flavor.

8 'Smarter Inventory' A computer enables an Ohio distributor to keep track of inventory and to know which parts are slow- or fast-moving.

24 Lawn Service Contracting Over 5 million homes contract for lawn care. That means fewer fertilizer sales, fewer walk-in customers, fewer overall sales. From this threat springs an opportunity for retailers.

36 Six trade associations sponsor GLEE Featuring over 400 exhibitors and drawing over 9,000 people, GLEE is one of England's largest trade shows. Six sponsoring groups use marketing strategies and new features to keep interest high every year.

42 Louisville Expo gains support, sets seminar topics The Engine Services Assn. and the Outdoor Power Equipment Distributors Assn. have voted to endorse the new show. Seminar topics for the July expo include computers, merchandising and advertising.

46 Marketing Chemicals Step by Step Basic manufacturers, formulators, distributors and retailers all play a part in readying chemicals for the consumer market.

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Coming in April/May: Products for Fall Cleanup • Fall is for Planting: the Third Year • Growing the Market II • ABCs of Growing Media • Bird feeder sales increasing

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LAWN Service Contracting

Threat or opportunity for retailers?

There is continued growth and change in this business, including involvement by True Value hardware stores.

By Steven Trusty

■How were your 1983 fertilizer sales compared to 1982? Do you feel you have lost any business to the lawn care contracting companies? Don Arenberg, president of Agro-Chem Inc. of Franklin Park, IL, says that many retailers can look at the service business as a threat. Heavy marketing by spray companies is taking away the over-the-counter fertilizer sales. Without the fertilizer sales the retailer is losing walk-in traffic. With the loss of walk-in traffic, add-on sales are lost. Prestige can also be lost. Arenberg reported he has received calls from some dealers who feel they are losing up to 80 percent of their over-the-counter fertilizer sales to lawn care companies.

On the other side of that coin, he goes on to say, "There is a real opportunity for those who want to go after it." Arenberg states that Chem-Lawn (the industry leader in dollar sales) "has done a beautiful job of educating the public on having a professional lawn care service." Chem-Lawn sales now top $228 million.

The lawn care market

According to Publisher John Wickersham in an article for *Grounds Maintenance* magazine, "It has been estimated that nationally more than 5 million homes currently contract for lawn care services at an average annual cost of $170." This amounts to about 20 percent of the total available market at this time. "More than 20 million do-it-yourselfers have large enough yards and sufficient family income to be included as potential converts to chemical lawn care." This computes to a $4.25 billion potential market. "Continued industry growth will depend on...the lawn care operator's increased knowledge of how to efficiently maintain healthy lawns, but also on his ability to run his business profitably—his business acumen," according to Wickersham.

With that kind of market potential, should today's retailers consider entering the market? Jim FitzGibbon, president of Lakeshore Equipment and Supply Co., says "The local nursery or retail garden center is a natural for establishing a lawn care business." He already is recognized in the area and has the credibility. He also has stability. He has been in the area for some time and is expected to be around for some time in the future.

Lakeshore Equipment recognized a need by many independent dealers to consider lawn care contracting as an opportunity for growth. Three years ago they started offering a complete program to interested retailers who wanted to set up a lawn care contracting department. There is no charge for this service.

LESCO's lawn service operation program is quite comprehensive. It includes product and equipment recommendations along with income and expense projections. The expense projections include materials, equipment and labor costs. The product recommendations include rate, coverage, yield and special notes and cautions. These recommendations are designed to cover five applications or rounds, point out special problems to watch for and suggest treatments should these problems arise.

The lawn care contracting department must be a separate profit center, FitzGibbon says. A management person must be in charge and everything must be done properly.

Lawn service not new

Campbell's Nursery of Lincoln, NE, got its start in the lawn service business. Bob Campbell started mowing Lincoln lawns in 1938. That business evolved into a full-time

Two shows: two stories

At a trade show LESCO tells attending retailers how to get into the lawn care business.

At consumer shows contract lawn care companies tell the public the advantages of their services. Using large trucks, such as shown above, to attract consumers in shopping malls and spring flower and garden shows, operators sign contracts on the spot.

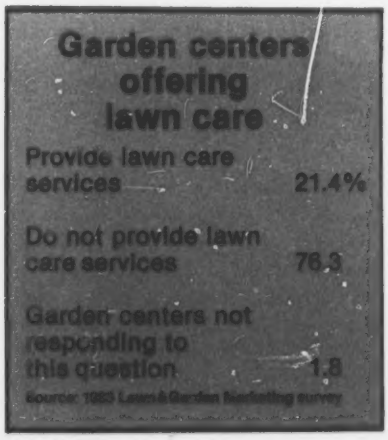
nursery and garden center operation that now has two locations. The lawn service business was de-emphasized over the years, but four or five years ago a real push was started in this area, Doug Campbell said.

Lawn care contracting has been a money maker for the company since then. Campbell's is not going to cut out that business, but is not going to emphasize it in 1984. The company decided to shift the effort that it had put into the lawn care business into its landscaping business.

Campbell's provides information for the do-it-yourselfer by offering a "Timetable for a Healthy Lawn." This gives a month-by-month approach to lawn care. The handout gives the consumer information on what to look for to maintain a healthy lawn. Campbell's also has knowledgeable people on its staff to follow up by answering customer's questions.

Campbell offers the following thoughts to those contemplating the lawn care business: the emphasis on personal communications is very important; there is plenty of business for those willing to go after it.

A large retail group is reported to be entering the lawn service business this year. Cotter and Co. is offering a "Green Thumb Professional Lawn Care Program" to the True-Value Hardware Stores in 1984. According to a mailing to members, Cotter and Co.'s representatives have researched the market and have investigated the professional lawn care industry. Upon their best judgement they say a member can receive a return of as much as 60.3 percent on an investment of $13,766. This investment includes professional training, equipment, materials, forms and brochures.


Garden centers offering lawn care
Provide lawn care services 21.4%
Do not provide lawn care services 78.3
Garden centers not responding to this question 1.8
Source: 1983 Lawn & Garden Marketing survey

According to Arenberg, "The customer wants the same type of personal service on his lawn as he does on his landscaping. He likes to feel his lawn is special and not receiving the identical service from the same truck as everyone else in the neighborhood."

The retailer should not let himself get into a situation in which he is competing on price. He should offer quality service. The householder's main interest is results; he wants a green lawn without problems. Good results and good merchandising can overcome most price resistance.

The retailer should heed the following advice:

1. Build an authoritative position.
2. Be knowledgeable.
3. Have an answer man.
4. Have the right products on hand.
5. Have rental equipment available for further assistance to professed do-it-yourselfers.

Who are the lawn care customers?

A major factor in the growth of professional lawn care operators is the increase in two-paycheck families. They can afford professional lawn care and prefer to keep their weekends free for recreation and relaxation. According to Don Newhart, product manager of Acme Lawn and Garden Div. of PBI-Gordon Corp., nearly 80 percent of these businesses are smaller, family-type firms.

During 1982 and 1983 several research studies were conducted for Mobay Chemical Corp. to obtain specific information regarding turf pests and products. One of these studies consisted of 505 telephone surveys completed by home owners who lived in surburban areas and had lawns ranging in size from 5,000 to 15,000 square feet. The surveys were designed so that they were conducted with the person responsible for making decisions regarding lawn care. (See accompanying table.)

Other opportunities

The lawn care contractor can be a threat to the retailer who ignores him or just worries about him. For the aggressive dealer who recognizes the opportunities, there are two ways to gain in the lawn care contracting business.

Responsible for making lawn care decisions

Source: Mobay Chemical Corp. Survey, 1983

The possibility already covered is for the retailer to go into the lawn care business. Another possibility is to cater to those people already in the business. Acme Lawn and Garden Products has been involved in supplying this industry for some time. Acme's studies have shown that a significant number of small to medium-sized lawn care contractors are not following the traditional channels of distribution. They are buying many of their needs from a nearby retailer (hardware stores, garden centers, farm stores). They are buying small amounts at a time and frequently paying cash.

Last year Acme introduced professional strength Dursban in half-gallon containers and professional strength Betasan and Weed-No-More in one-gallon containers. Acme perceives a need for these types of products and is expanding the line with the addition of a Turf Ester this year. Other products are being developed for subsequent introduction.

Another reason Acme is going after this market is that many of its commercial applicators who are making purchases at their local retailers do not want to be using the lawn products that the consumer can buy off the shelves. The consumer who is not sure whether to have the work done by a professional or to continue to do it himself is more likely to hire it done when he thinks the professional is using more sophisticated products.

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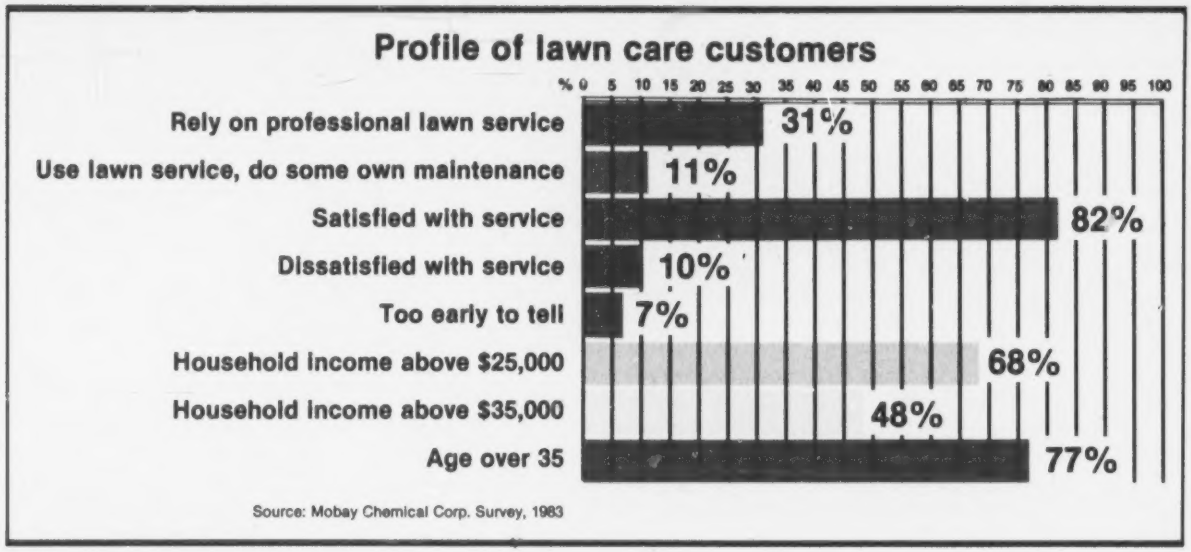


Lawn service ...continued

According to Newhart, the retailer who supplies chemicals and fertilizers to the lawn care contractors has the opportunity to sell him many other things, such as long-handled tools, sprayers and plant material if the contractor also does some landscaping. The retailer with repair facilities has another opportunity to cater to the lawn care contractor's needs.

All retailers can look at their business and market areas and decide on the best opportunities for them. Any threat can become an opportunity when viewed positively and acted upon accordingly.

15% of Gumpf's sales

Gumpf's Landscaping of Beaver Falls, PA, was started 27 years ago by landscape architect, Herbert Gumpf. Gumpf's has a garden center and nursery and has always been in landscape design and construction. When son Jim, also a landscape architect, came into the business full time, Gumpf's had an opportunity to expand. They were hearing complaints from customers about the service received from lawn care contractors. The customers wanted someone local who was familiar with their problems. They also expressed a desire to obtain complete service from one source. Since Gumpf's was already taking care of their landscape needs, why not add lawn care to their services?

According to Jim Gumpf, about five years ago they started with in-house people and a liquid program. They are now on a total granular program except for post-emergence weed control. Gumpf's has worked quite closely with LESCO Products in developing this program. A graduate agronomist from Penn State has been hired to manage the lawn service department. He spends about three-fourths of his time in the lawn service area and the rest of his time in the landscape construction department.

With the lawn service department, Gumpf's can offer full service to its customers. Employees can provide information and products to the people who want to do the work themselves, or they can do all the work for those who desire it. Gumpf says "We actually can treat a customer's lawn at less cost than he, himself, can when purchasing the products at retail."

Gumpf's standard plan is a five-application program. Customers are offered an optional four-application program, priced accordingly. The lawn service is flexible though; a customer can order any service done that he desires. Lawn mowing is available, if requested.

Gumpf's total business is broken down as follows: 50 percent garden center, 35 percent landscaping and 15 percent lawn care. Even though this firm is in a steel-producing area with 23 percent to 24 percent unemployment, its lawn service business doubled last year over the year before.

Gumpf says, "Almost 80 percent of the people are still working and have good jobs. We have to look at the opportunities for business. Those working want nice lawns, and they are willing to pay for service and results."

Because Gumpf's gives the customers what they want, it has lost very few accounts over the years. Gumpf also feels that more householders want to turn to a qualified local company. They want the feeling of being able to talk to the owner personally.

Gumpf cited advantages to adding the lawn care contracting to their established business. They make better use of help throughout the year. The cost of getting into the lawn service business was reduced by using on-hand equipment. As one example, they took a truck they already had and modified it for turf care. By having a turf specialist along with their other specialties, they can monitor, properly, the customers entire property. They can identify potential or developing problems. This generates more income and provides better customer service. □

A new publication, **Lawn Servicing,** *has been launched by Intertec Publishing Corp., which also publishes* **Lawn & Garden Marketing** *magazine.* **Lawn Servicing,** *to be published each spring and fall, is edited specifically for professional lawn care operators, full-service landscape contractors and mowing/maintenance contractors.*

Power Equipment Report

Vol. 5 No. 3 March 1984

NESDA surveys promotional practices

Servicing dealers see manufacturers' promotional practices eroding their slim profit margins, according to a NESDA survey. The survey was conducted during August and September 1983. Surveys were sent to 1,250 servicing dealers, and 20 percent responded.

Servicing dealers want local control of promotions, according to respondents. Supplier controlled promotions work to the advantage of the price-oriented marketer or department store, but to the disadvantage of the full-service dealer. The survey results suggest that the servicing dealer wants co-op promotions.

Some of the resondents' comments included:

- Supplier advertising should stress the benefits and quality of equipment.
- Dealers should control the deals.
- Supplier rebates should be to the dealer. The dealer should have the authority to determine the selling price and/or the promotional programs that best serve the local market needs.
- Supplier promotions should not compromise dealer profits. Present dealer profit margins are too small to allow for dealer subsidy of giveaways. The dealer should be allowed to decide the deal he can afford to offer.

Results of NESDA survey

Could a promotion that stresses quality and service at a fair price be as effective as free-goods, rebates and dollars-off?

Yes: 57% No: 37% Not sure: 6%

Have the free-goods promotions switched the consumer to the promoted brands?

Yes: 37% No: 55% Not sure: 8%

Do you think the pay-back warrants the paperwork and costs of the free goods promotions?

Yes: 16% No: 77% Not sure: 7%

Would you want to see free goods promotions repeated next year? If yes, which?

Yes: 51% No: 45% Not sure: 4%
Yes: rebates, 21%; free attachments, 30%;
Others: (trade-in promotion), 4%

Would you prefer to have suppliers emphasize the merits of their products in their ads rather than pushing free goods promotions?

Yes: 83% No: 8% Not sure: 2%
(Write-in ballots) Both: 7%

Are you willing to continue to contribute a share of the promotional costs?

Yes: 60% No: 31% Not sure: 9%

Yes breakdown: —by purchasing units at retail price, 16%;
—by accepting only partial refund of the cost of the free attachment, 35%;
—by paying a fixed sum up-front for advertising, 49%

Briggs & Stratton forms Electrical Products Div.

The Briggs & Stratton Corp. has announced plans to form an Electrical Products Div., which will be committed to the development and expansion of a permanent magnet motor market.

"With the advent of new technologies, we're seeing a lot of new opportunities for permanent magnet motors, especially in cases where reduction of size and weight are important," Cy Lyle, manager of the Electrical Products Div., said.

"The market for electric motors is not only expanding in terms of rotary mowers, but for applications such as vacuums, tillers, snow throwers, log splitters and other outdoor power equipment."

As a result of widespread interest in the industry, the company developed a 1000-watt, permanent magnet motor designed primarily for lawn mower application.

Briefs

The Lawn-Boy Product Group announced in February that it would move from Galesburg, IL, to Memphis, TN, in early March. Lawn-Boy opened a new manufacturing facility in the region, in Sardis, MS, in 1982.

The United States Patent and Trademark Office has granted Simplicity Mfg. Inc. a trademark for its Protector snowthrower cab. Made of the same heavy-gauge plastic used in jet fighter cockpit covers, the transparent cab provides 360-degree visibility. The cab fits current-production Simplicity two-stage snowthrowers.

Snapper Power Equipment has introduced a point-of-purchase program for its distributors and their dealers. It includes a mower literature rack, a point-of-purchase kit containing a full-line poster, pennant banner, mobile, calendar, open/closed sign, pens, pocket protectors and carton cutters.

Ariens dealer salespeople are competing for trips to Acapulco, Mexico, by selling the most Ariens products via the Ariens Power Charge (APC) consumer revolving charge plan. The APC A La Carte incentive program began March 1 and ends May 31. Winners will be announced in July.

Rotary Corp. of Glennville, GA, distributor of replacement parts, has opened a 24,000-sq-ft. office, warehouse and distribution center in Dallas. Clinton Smithson has been appointed general manager of the Texas Div.

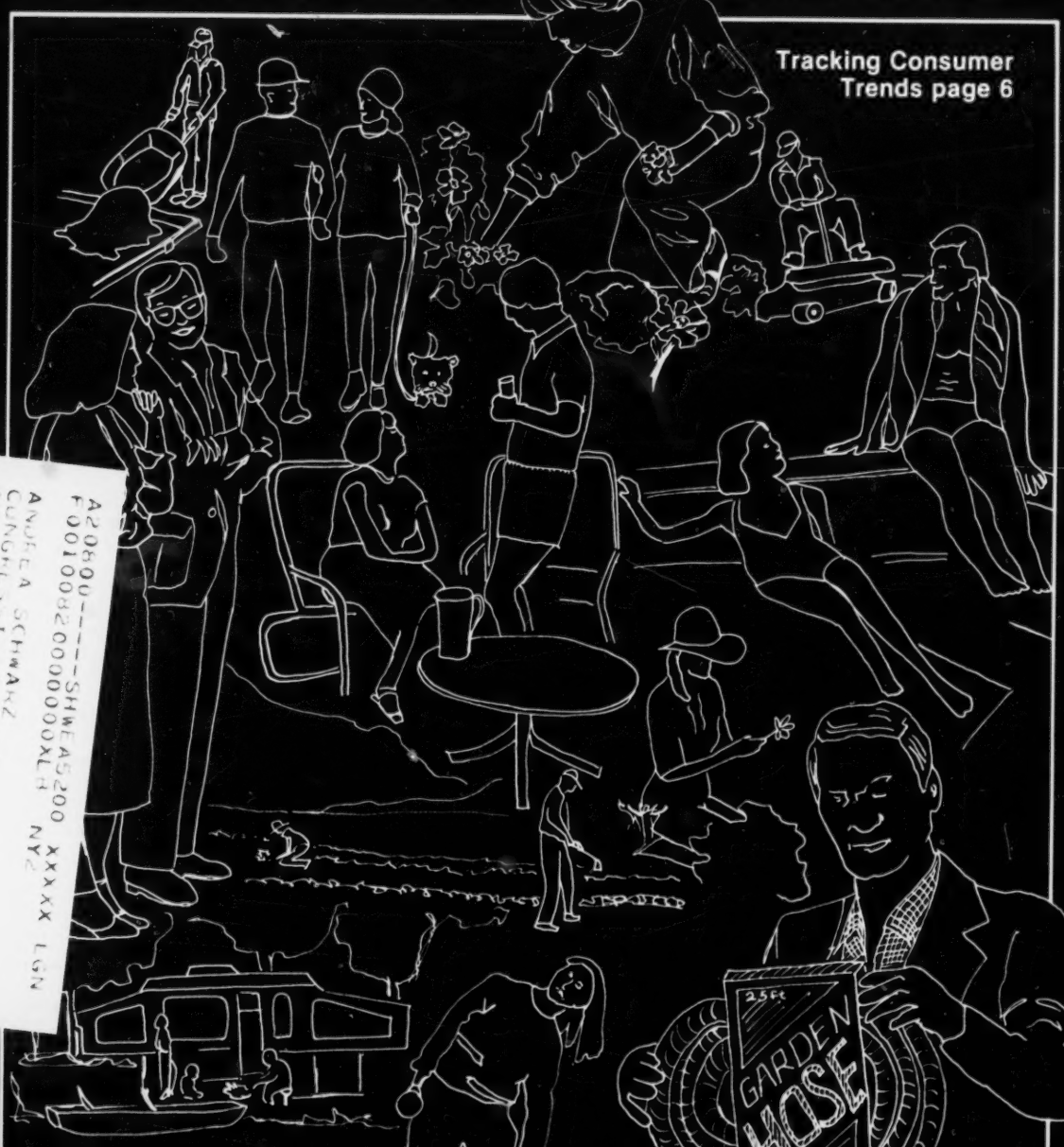
Robert F. Robins has joined the Chain Saw Manufacturers Assn. as technical director. He worked for 13 years as chief engineer at the Hardwood Plywood Manufacturers Assn., where he was involved in the development of standards and product testing.

Bolens Corp. has launched a new line of lawn tractor, the Suburban Tractor, at its Port Washington facility. Its sales have increased enough that employees on layoff have been recalled and a second shift started to meet production requirements.

APRIL/MAY 1984

Lawn&Garden Marketing

KNOWING THE MARKET



Tracking Consumer Trends page 6

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BETHESDA MD 20814

6 Cover Story: A two-part report kicks off the 1984 series of articles on Growing the Market. Wendall Burns, **LGM** editor, describes the increased interest in industry using consumer data, and Bruce Butterfield, director of research for the National Garden Survey, reports some characteristics of households involved in gardening. (Cover by Kevin Callahan.)

20 Fall Planting: With several years of success in building fall sales in some states, the "Fall Is For Planting" supporters plan for its second year on a national level.

APRIL/MAY 1984 VOL. 23 No. 4 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 Major new goal in Growing the Market: Knowing the Market. Retailers and suppliers seek more data and better interpretation of existing data about consumer purchases.

6 Gardening households – a statistical profile. New information gleaned from the 1983 Gallup survey sponsored by Gardens for All shows the lawn and garden market.

14 Role of distributors: Risk takers, savvy about grassroots markets. OPEDA members get an earful at their annual meeting.

20 Building fall store traffic. The Fall Planting Council stresses four main goals for 1984.

46 Cleanup season, product lines expand. Fall isn't the only time to clean up.

54 Birds are big business. Stocking feeders and seed is a natural way to increase traffic.

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Coming in June: Winter Products Update • Holiday Merchandise • ABCs of Engine Maintenance

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KNOWING THE MARKET

Major new task in Growing the Market

During the 1983 Executive Forum on "Growing the Market," sponsored by LGM, there was a repeated request for more market data. The 1984 series deals with gaining and interpreting data on this industry. ***By Wendall J. Burns***

Series of articles for '84

April/May	Knowing the Market
July	Marketing information systems for retailers
September	Report on 1984 executive forum on Growing the Market
October	How Ace Hardware helps member firms build lawn and garden volume

Gardening households, a statistical profile

By Bruce Butterfield

■Gardening is an activity practiced more by established households than younger ones. Only about one out of four gardening households was 30 years of age or less in 1983. Households aged 30-49 made up about 35 percent of all gardeners and those 50 years of age and older represented 40 percent of the total.

The vast majority of sales of gardening products in 1983, 75 percent, were made to household members older than 30. An estimated 37 percent of all purchases were made by household members 30-49, 38 percent by those 50 and older, and 25 percent to those younger than 30.

About one out of two gardening households in 1983, 48 percent, were high school educated, 31 percent were college educated and 13 percent had grade school educations. This distribution is essentially

■Even though there are mountains of data about retail sales, consumer income, household makeup, etc., the suppliers and retailers of consumer products and services need even more information about the consumer. And, they need quicker interpretation and application of the data.

Following are headlines from business and general circulation publications that reflect some of the needs:

- Discounters Boost Consumer Research as Buyer Aid
- Need a Product Idea? Ask the Consumer
- 'Little Guys' Need Market Research Aid
- Using Official Data Often Helps Avoid Mistakes, Find Customers
- Buying Habits of Americans: Are They Undergoing a Change?

Distributors and manufacturers, obviously, need information, too.

During the 1970s when a sellers' market prevailed, there was a more predictable demand for merchandise, and the retailers and wholesalers depended heavily on recommendations by the manufacturers.

But there is a need for better communication in today's market. At a recent meeting of wholesale distributors of outdoor power equipment, distributors participating in a round table discussion agreed to seek a better explanation of how manufacturers determine statistics and how they determine the actual buying public.

At a workshop during the same conference (see "The role of distributors: Risk takers, savvy about grassroots markets," page 14), a consultant said that the burden fell on them to know their markets and provide information to the manufacturers.

This would be supplemental regional data. Obviously, the manufacturers already have data on retail sales of products they handle.

But some distributors have found that manufacturers have wanted to establish new dealerships, even distributorships, in their territories, projecting sales of lawn mowers based on demographic data that gave only population figures and not the fact that some of the households were condominiums and townhouses.

Some of the chains have for years conducted consumer interviews. These include K Mart, Target, Zayre, TG&Y and Murphy's Mart. The latter two companies designed surveys themselves, saving on costs of having it done by an outside firm.

Smaller firms can do their own research, too. In fact, the Horticulture Research Institute (one of the associations under the American Association of Nurserymen umbrella) provides a survey kit for garden centers. Steve Driftmeier, president of Wilmore Nurseries, Denver, has used the ideas from the kit, plus his own questions to gain consumer data for opening a new store, for establishing store hours, stocking merchandise and to get customers' ratings of personnel and other data.

A director of planning for TG&Y says, "It is hard for a buyer sitting in the office to get a feel for what's going on, because the sales figures will show what the customers want, but not why. We can determine the reason (they buy) with research."

Many major manufacturers use the data from the Simmons study, the Gallup report, their own warranty cards, consultants and other sources to project markets. The AAN's Nursery Marketing Council conducted a series of focus group sessions on which it based its current advertising campaign.

The Outdoor Power Equipment Institute provides an annual forecast of the market based on shipments, housing starts, analyses by consultants of the changes in lifestyles, etc.

Lawn & Garden Marketing surveys help to track trends and provide the profiles of different types of distributors and retailers.

To focus the efforts of more retailers, suppliers and trade associations on the task of acquiring and applying more information about consumers in developing industry marketing strategies, **LGM** is concentrating its 1984 "Growing the Market" series on the subject of knowing the consumers, knowing the market. A good beginning is this month's entry, an analysis of data from the Gallup study on the lawn and garden consumer. □

the same as for the total U.S. household population.

In terms of sales of gardening products in 1983, college-educated households and high school-educated households accounted for about the same total of lawn and garden sales, 48 and 46 percent. Grade school-educated households accounted for only 6 percent.

College-educated households spend considerably more per capita than anyone else on lawn and garden activities. In fact, for every dollar that a high school-educated household spent on lawn and garden activities in 1983, it is estimated that a college-educated household spent $1.80.

The largest single group of U.S. households involved in lawn and garden activity in 1983 were those with manual labor occupations (36 percent) followed by professionals (17 percent), retirees (16 percent), business people (12 percent), and those with clerical/sales occupations (9 percent). This distribution is about the same as for occupations of the total U.S. population.

Professionals and households with business occupations made the highest average annual expenditures of all groups on lawn and garden activities in 1983. They represented 29 percent of households involved in gardening, but accounted for more than 40 percent of total sales. Expenditures on lawn and garden activities by households in all other occupation categories were about equal to the percentage they represent of all gardeners except for retired households, which spent slightly less per capita.

Income and gardening

There is a direct correlation be-

Growing the Market

...continued

tween income and participation in lawn and garden activities. Participation in lawn and garden activity increases as household income does, except for vegetable gardening, which has about the same level of participation regardless of income. The greatest level of participation in each form of lawn and garden activity measured in 1983 was seen among households with higher annual incomes and lowest among households with lower annual incomes.

Higher income households also spend significantly more each year on lawn and garden activities. While households with annual incomes of $40,000 and more make up only about 14 percent of the total U.S. population, they account for 34 percent of sales of lawn and garden products.

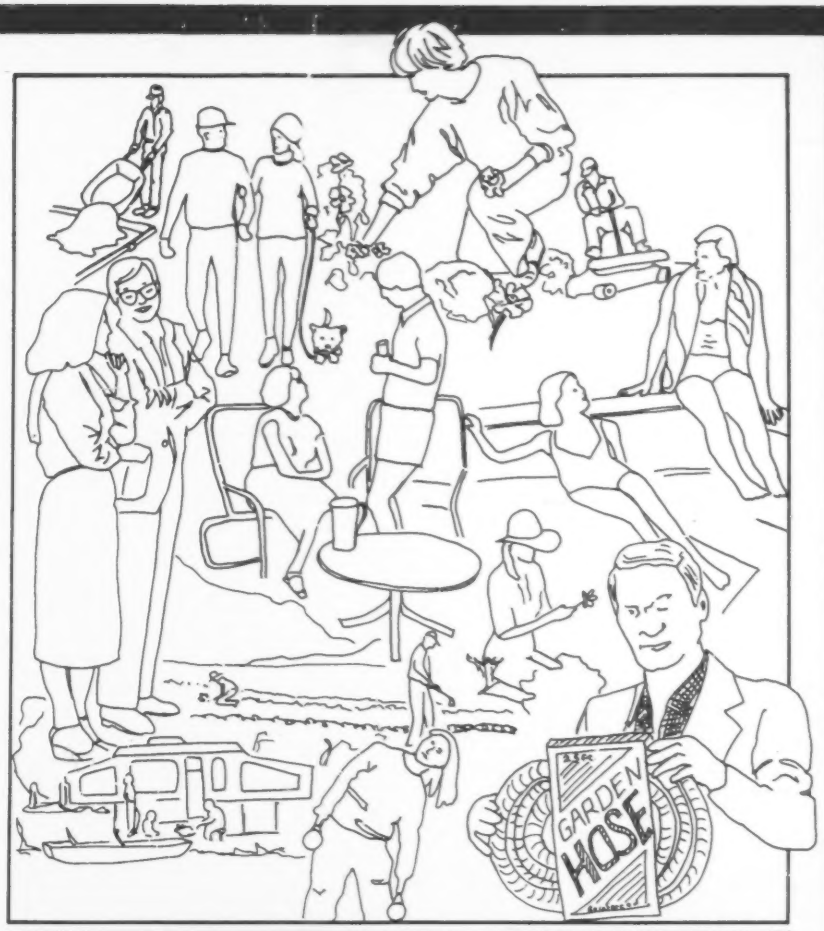
With 30 percent of all gardeners, the Midwest has the greatest population of gardening households in the United States, followed by the East, 26 percent, the South, 25 percent, and the West, 18 percent.

Households in the Midwest, while having the greatest number of gardeners, spent the least on gardening per capita, while those in the West spent the most. Given the regional distribution of the U.S. household population, the South represents the largest single lawn and garden market with 28 percent of all sales. Following is the East with 26 percent of sales, the West with 23 percent of sales, and the Midwest with 23 percent of sales.

In terms of sections of the country, the Mid-Atlantic states, the most densely populated area in the country, had 21 percent of all lawn and garden sales in 1983, making it the area with the highest concentration of gardening households in the country. Sales of lawn and garden products in the Pacific states (19 percent), southern states outside of the Deep South (19 percent), and East Central states (14 percent) were the other key markets.

Married households are the most avid participants in lawn and garden activities as well as the principal

continued on page 12...



How lawn and garden ranks with other activities

Leisure activity	% of households
Watching Television	81
Listening to Music	64
Lawn Care	63
Reading Books	54
Flower Gardening	47
Pleasure Trips in Car	44
Going to the Movies	43
Vegetable Gardening	42
Watching Pro Sports on T.V.	39
Home Baking	38
Vacation Trips in U.S.	34
Sewing/Needlepoint	32
General Exercise/Physical Fitness	31
Fishing	31
Workshop/Home Repair	29
Bicycling	22
Camping	20
Photography	20
Bowling	20
Jogging	19
Hunting	16
Tennis	12
Golf	12

Note: Totals add to more than 100% due to multiple responses
Source: Gardens for All

Growing the Market

...continued from page 8

consumers for products. A total of 87 percent of married households with children were involved in gardening. Married households without children participated only slightly less, 86 percent.

The percentage of separated, divorced or widowed households participating was 82 percent, while single households accounted for the lowest percentage, 75 percent.

Married households, with and without children, accounted for more than two-thirds of all lawn and garden sales. A total of 71 percent of married households accounted for sales, which broke down into 36 percent for households without children and 35 percent for households with children.

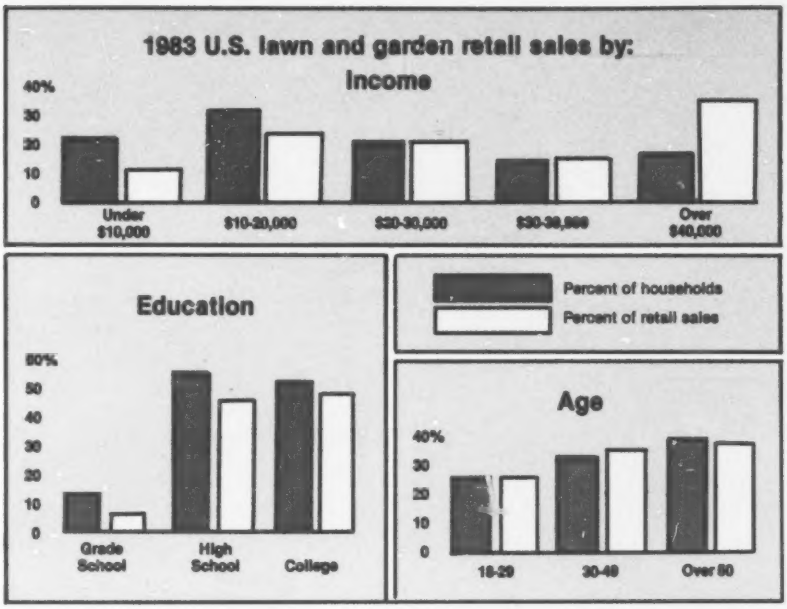
Single households, whose percentage of those participating was lower, accounted for an estimated 19 percent of sales. This was higher than the percentage of households that are separated, divorced or widowed, which accounted for about 10 percent of sales.

Small towns fertile

Participation in lawn and garden activity was the highest in suburbs, small towns and rural areas and lowest in cities. Larger household populations found in the suburban and rural areas of the U.S. coupled with high rates of participation in lawn and garden activity there make these communities the most important to the lawn and garden industry.

On average, suburban households spent the most on lawn and garden activity in 1983 and also accounted for the largest percentage of total sales, an estimated 34 percent. Rural households were second in terms of average annual expenditures in 1983 and also in terms of percentage of total estimated sales, 28 percent.

City and small town households spent about the same amount of money per capita on lawn and garden activity in 1983, about $130. Greater household population in cities meant that total lawn and garden sales there (24 percent) were higher than in small towns (13 percent).



Gardening a top leisure activity

Gardening maintained its rank as the nation's No. 1 outdoor leisure activity in 1983 despite a slight decline in the percentage and number of all U.S. households that participated. The three most popular outdoor gardening activities, lawn care, flower gardening, and vegetable gardening, ranked ahead of all other forms of outdoor leisure activity including exercise/physical fitness, fishing, bicycling, camping and jogging.

Among all U.S. households, 82 percent participated in at least one lawn and garden or plant care activity in 1981.

The Midwest was the region with the highest percentage and number of households participating in lawn and garden activities in 1983. A total of 91 percent of Midwestern households, 21 million, participated in lawn and garden activities.

The West was second in terms of percentage, 84 percent, but last in terms of the number of households, 13 million. Nearly equal were the East, with 80 percent or 18 million households, and the South, with 77 percent or 18 million households.

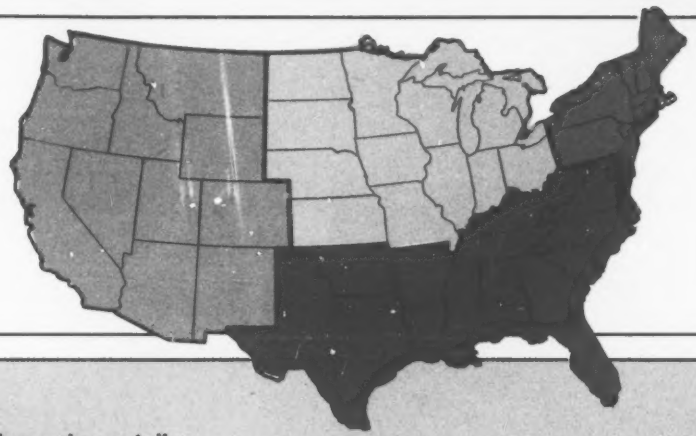
Participation in lawn and garden activities in the East, Midwest and West has stayed at essentially the same level for the last three years. Lawn and garden activity among households in the South has fluctuated somewhat during this time period, going from 80 percent of households in 1981 to 86 percent in 1982 to 77 percent in 1983.

Overall, no lawn and garden activity saw a significant increase in popularity between 1982 and 1983. Of the 15 kinds of indoor and outdoor lawn and garden activities measured both years, eight were essentially unchanged and seven saw a small decrease in the percentage of all households participating. Lawn care, flower gardening, landscaping, ornamental gardening, fruit trees, berries, nuts and raising transplants all remained at about the same levels in 1983 that were seen in 1982. Indoor houseplants, vegetable gardening, shrub care, controlling insects, pruning, tree care, and edible landscaping all saw small decreases in 1983.

The increase from 82.5 million households in the U.S. in 1982 to 84.5 million households in 1983 softened the market impact due to a lack of growth in the percentage of households participating in lawn and garden activities. □

About the author: Bruce Butterfield is the director of research for the *National Gardening Survey* conducted for *Gardens for All*, a position he has held since 1978. Readers may obtain a fact sheet on the National Gardening Survey by sending $1 to: Dept. T-11, Gardens for All, The National Assn. for Gardening, 180 Flynn Ave., Burlington, VT 05401.

Product Movement Report



Sales of indoor plant supplies remained stable, with a little increase, according to respondents to **LGM's** winter '83/84 product movement survey.

Bird feeder sales continue to increase. Of the 72 percent of the respondents who carry bird feeders, only 5 percent reported sales to be down compared with last year. Feeders are selling especially well in the South, where the percentage of respondents carrying them increased from 64 percent in 1982 to 80 percent in 1983. Last year 57 percent said sales were the same or better than the year before, but this year 74 percent said sales were the same or better compared with last year.

Sales of horticulture and DIY books remained stable; the majority of respondents reported sales to be about the same as last year.

Big changes occurred in the kerosene heater market. Fewer dealers are carrying them, but those who are are faring better than last year. In 1982, the flooded market and bad publicity combined to create losses for those carrying the heaters. With fewer dealers the marketplace was less competitive.

Inventory of kerosene heaters is down considerably compared with last year. This year respondents averaged 6.4 heaters in inventory compared with 11 last year.

Replacement parts continue to show strong growth; 44 percent of the respondents handling replacement parts said sales were up, compared to 7 percent who said volume decreased. Also, more reported sales to be about the same compared to last year, indicating a declining growth rate. This may be due to an improved economy and customers buying new equipment.

Fewer dealers are handling snow throwers, probably because the economy and weather kept 1982 sales down. However, those who remained in the market saw improvement. Only 8 percent reported 1983 sales to be lower than the year before, compared with 26 percent who reported 1982 sales to be lower than the year before.

Respondent reports of tractor attachment sales were more favorable in 1983 than 1982. Most reported sales to be about the same, but 7 percent more reported improved sales, and 17 percent fewer reported sales to be down.

Trim-a-tree sales were reported to be up everywhere except in the West. These products provide some cheer at a low price, so with the improvements in the economy, people were probably in the mood to spend more on them.

Fewer decreases were reported for 1983 compared to 1982. For all eight products surveyed, more respondents reported sales to be the same or better compared with the year before than reported sales to be down.

Measuring retail sales trends for winter 1983/84

Volume sales and trends compared to last year

Key: ↑ up ↓ down About the same ↔

	SALES VOLUME	TOTAL %	NORTH EAST %	NORTH CENTRAL %	SOUTH %	WEST %
Bird feeders	up	33	46	37	28	10
	same	34	24	33	46	30
	down	5	4	4	6	7
Horticulture and DIY books	up	6	4	8	7	7
	same	55	57	42	58	73
	down	9	11	11	7	7
Indoor plant supplies	up	15	16	10	14	26
	same	50	56	50	48	47
	down	9	10	7	16	0
Kerosene heaters	up	13	11	16	15	6
	same	15	12	15	23	6
	down	19	18	23	11	23
Replacement parts	up	43	45	49	40	25
	same	43	47	40	40	50
	down	8	4	10	12	0
Snow throwers	up[1]	24	31	31	4	20
	same	23	30	30	3	16
	down	8	12	9	2	3
Tractor attachments	up	12	13	12	15	0
	same	40	43	42	31	38
	down	13	14	15	14	0
Trim-a-tree	up	27	57	17	24	0
	same	11	11	11	10	13
	down	7	4	8	4	13

Percentages do not add to 100 because all respondents do not carry all products.

Current inventory of kerosene heaters (median no. of units per store)	6.4	6.8	6.8	4.6	NA

Sacks of bird seed are a handy promotional tool. Bought in bulk, sacks sold at a discount can be used to lure customers.

Birds are big business

Nearly 63 million people feed birds for an average of six months a year. Retailers can attract new customers by selling feeders and seed year-round.

By Steve Trusty

■Is your business going to the birds? Maybe it should.

Bird feeding is the No. 2 outdoor pastime in the United States, according to a 1980 survey by the U.S. Department of the Interior, fish and wildlife department, second only to gardening. The survey reports that 37 percent of people over 16 feed wild birds.

To be considered part of the population that fed birds, each person had to feed at least once a week for at least one month. The average feeding span was six months.

Nearly 63 million people fed birds in 1980. While 74 percent used crumbs and scraps, 56 percent used seed and 16 percent suet. (Totals do not add up to 100 percent because of multiple responses. See chart for regional breakdown.)

It is difficult to get a handle on the total market for bird feeding supplies. One source states that 1980 sales totaled $517 million. The same source listed 1970 sales of $170 million.

Prices for feeders range from 99 cents to $69.99 and more, although most are priced less than $20. Most feeders are sold in lawn and garden centers and in feed stores that have lawn and garden departments. Mass merchandisers also sell feeders, but they tend to be seasonal items.

Alan Hirsch, vice president of Seaboard Seed Co., Bristol, IL, says that according to the American Seed Trade Assn., wholesale sales of bird seed total $75-90 million a year.

The major producers of feeders to disperse seed for birds are now selling about $75-100 million worth of these feeders a year, based on retail prices, according to Don Hyde, president of the Hyde Bird Feeder Co., Waltham, MA.

One of the difficulties in arriving at an accurate figure for the market is that at least 20 percent of the market is serviced by cottage industry, says Frank Diekman, president of M.G.R. Feed in Hammond, IN. Most dealers carry at least a few feeders made by the retired individual that has been a good customer over the years. (Retail sales figures for bird feeders for this winter are included in the Product movement report in this issue.)

William Barber, president of Perky Pet Products in Denver, estimates that $20-30 million in hummingbird feeders and nectars are sold at retail annually in the United States.

Don Stein, president of Kellogg Inc., a distributor in Milwaukee, states that 33 percent of its bird supply sales is feeders and 66 percent feed, although 20 to 30 percent for feeders is probably more common.

People who are already feeding birds are potential garden center customers. They are also potential customers for new and better bird feeders. Huge displays of competitively-priced seed are evident in many grocery stores and mass merchandise outlets. Many independent retailers have also found that they can merchandise feed and feeders in an effective, profitable way.

"The real growth potential in the wild bird market comes with merchandising better feed and feeders," Diekman says.

Sophisticated public

Charles R. Smith, director of public education at the Cornell University laboratory of ornithology in Ithica, NY, says the public is becoming more sophisticated. It is learning more about birds, their habits and needs. The more sophisticated feeder of wildlife wants specific seed mix, quality feeders and assistance when needed.

Diekman says, "All people do not care to feed birds, but people who do feed birds like to feed beautiful birds." They are willing to pay more

continued...

Bird feeders

...continued

for quality feed and feeders.

Sales are weather-related. The colder it is and the more snow cover there is, the more the birds are going to eat. The dealer who stocks a wide range of quality seed and feeders and gives service is going to have a good, steady business. The cold, snowy weather is going to be a bonus. One 62-store chain serviced by M.G.R. Feed moves about one truckload of seed a week year-round except in the very hottest months, when sales run one load every other week. In the winter it moves two truckloads a week.

Hirsch says that the full-time garden centers can capitalize on the interest in feeding birds by stocking quality seed and feeders year-round. The purchase of seed may be on impulse in the grocery store or at the mass merchandisers, but an individual who starts feeding the birds is going to want more information and more quality. A full-service dealer can provide this.

Each sale of a bird feeder opens the door to repeat sales of bird seed, according to Larry Blasbalg vice president of sales for K-feeders, Warwick, RI.

When considering whether to enter the market of wild bird supplies, the dealer must consider what kind of commitment to give to the department. Stein suggests that the dealer should not consider the store a garden center but an outdoor living center.

When to display

The major bird feeder display should go up in the garden center the moment other sales start to taper off in the summer.

Since most feeder companies provide some type of display for their feeder, more dealers should take advantage of these displays and use them to effectively merchandise feeders all year, according to Hyde.

Hummingbird feeders are an excellent Mother's Day promotion, and sell well in March and April. The nectar sells throughout the summer.

By stocking quality feed and feeders all year, dealers can build up quite a following of loyal customers. Since they come in regularly to purchase their feed needs, they frequently purchase other things they see displayed.

Merchandising feeders and feed

Geneva Ace Hardware in Geneva, IL, has carried bird feeding supplies for 15 years. Bill Rosenfelder, part owner, says the store has been able to increase its sales and margins by getting away from the cheap blends of seed and by merchandising quality seed and feeders.

"There is a lot more profit in a $60 or $70 feeder than there is in a $6 or $7 feeder," he says. "We try to make a 25 percent profit on the low end seed mixtures and at least 35 percent on the high end."

Since 80 percent of the feeder purchases are made on impulse, feeders will be sold if more are displayed. A higher margin on a higher ticket has a compounding effect on overall profit.

Another dealer that has success with bird feed and feeders is Russell's Garden Center of Wayland, MA.

"Six or seven years ago sales were only about 5 tons a year. Now we

continued...

Traditional bird feeders are popular, although more contemporary styles, made of plastic and acrylic, are gaining in popularity.

Bird feeders ...continued

sell over 50 tons of bird seed a year," says Hugh MacKenzie, assistant manager of Russell's. "Our sales continue to increase even though we are only five miles from the Audubon Society Headquarters and they sell many times the amount of seed that we do."

Russell's runs two major bird feeding promotions a year and one or two smaller ones. One major promotion is usually the last weekend in October. The second is the last weekend in February or the first weekend in March. The promotions include truckload specials on selected bird seed, displays of feed and feeders and seminars conducted by noted bird authorities.

Russell's Fall 1983 promotion included a truckload sale on sunflower seed, using a 50-pound bag that normally sells for about $18.95. Russell's bought it for $9.95 and sold it for $11.95 a bag, with a three-bag limit. The garden center also gave a 5-pound bag of economy blend bird seed ($1.39 retail value) with the purchase of any bird feeder priced more than $5.

Russell's uses radio, newspaper and its own mailing list to promote its specials.

Barrel promo

Russell's has made arrangements with a manufacturer of barrels to produce a special run of 30-gallon metal drums painted white with a Pennsylvania Dutch motif and bird decals on the top. These barrels are then sold filled with sunflower seed. This has been a popular promotion and provides the customer with an attractive seed container.

By displaying bird feeding items year-round, Russell's has developed a regular clientele that is exposed to the rest of Russell's products on an ongoing basis. Not only has Russell's increased sales of bird-related items, but overall business has increased as well.

Many retailers have found that by offering individual kinds of seed in separate bins they can sell more seed. Many customers like to scoop out what they want of each seed and mix their own.

A dealer can increase sales by becoming a complete resource center for the bird lover, including bird books, a complete stock of feed, feeders, waterers, water warmers and grit.

Irene Gainsboro, executive vice president of Opus Inc., a Framingham, MA, manufacturer, reports that many dealers have successfully held seminars to provide the public with more information on birds and feeding. These seminars are conducted by representatives of bird feed or feeder companies, local Audubon Society members or authors of bird books. Besides providing valuable information to the public, the seminars build credibility for the dealer and set the dealer up as an authority in the community.

Another thing a dealer can do is to provide press releases and bits of news to the local media about birds, their needs and how the public can help them.

Market changes

The bird feeder market has changed and grown significantly over the past several years.

M.G.R. Feed has come out with a pre-season program on feed and feeders. With a July and August booking program its sales have improved significantly. August 1983 was the best it had, with the company resupplying customers in October. Many of the bird feeder companies also have early order programs.

At least one distributor puts out a special catalog for bird feeder supplies.

Stein says that it was the initiator of a special bird feed and feeder catalog. The company feels that this is an important enough part of its business to deserve special attention. The 1983 catalog listed products from 25 suppliers. Its early order program runs July 1-Sept. 30.

Bird lovers are becoming interested in more decorative feeders, including tubular, acrylic and more contemporary styles, according to Robert P. Kramer, manufacturing representative for Aspects Inc., a Bristol, RI, manufacturer.

Myths dispelled

Ornithologists have determined that since birds have no sweat glands in their feet (or any part of their bodies) they will not adhere to metal feeder perches. The laboratory of ornithology at Cornell University has several types of feeders with metal perches in its sanctuary and there has never been an occasion of a bird freezing to a perch.

Some concern has been expressed about the acrylic window mount feeders, because of the potential for messy windows and birds colliding with the windows. According to Kramer, neither of these are valid concerns.

"The feeder seems to give the birds better reference to the window and they are less likely to hit the window because of not seeing it. The acrylic feeder keeps the birds away from the window and there have been no complaints from users," Kramer says.

Early spring help

Brooks Pennington, president of Penn Pak Inc., Madison, GA, says, "Migrating birds in the south need the most help in March, April and May." Previous natural seed crops are used up and no new seed has matured yet. The birds are nesting and they need more feed.

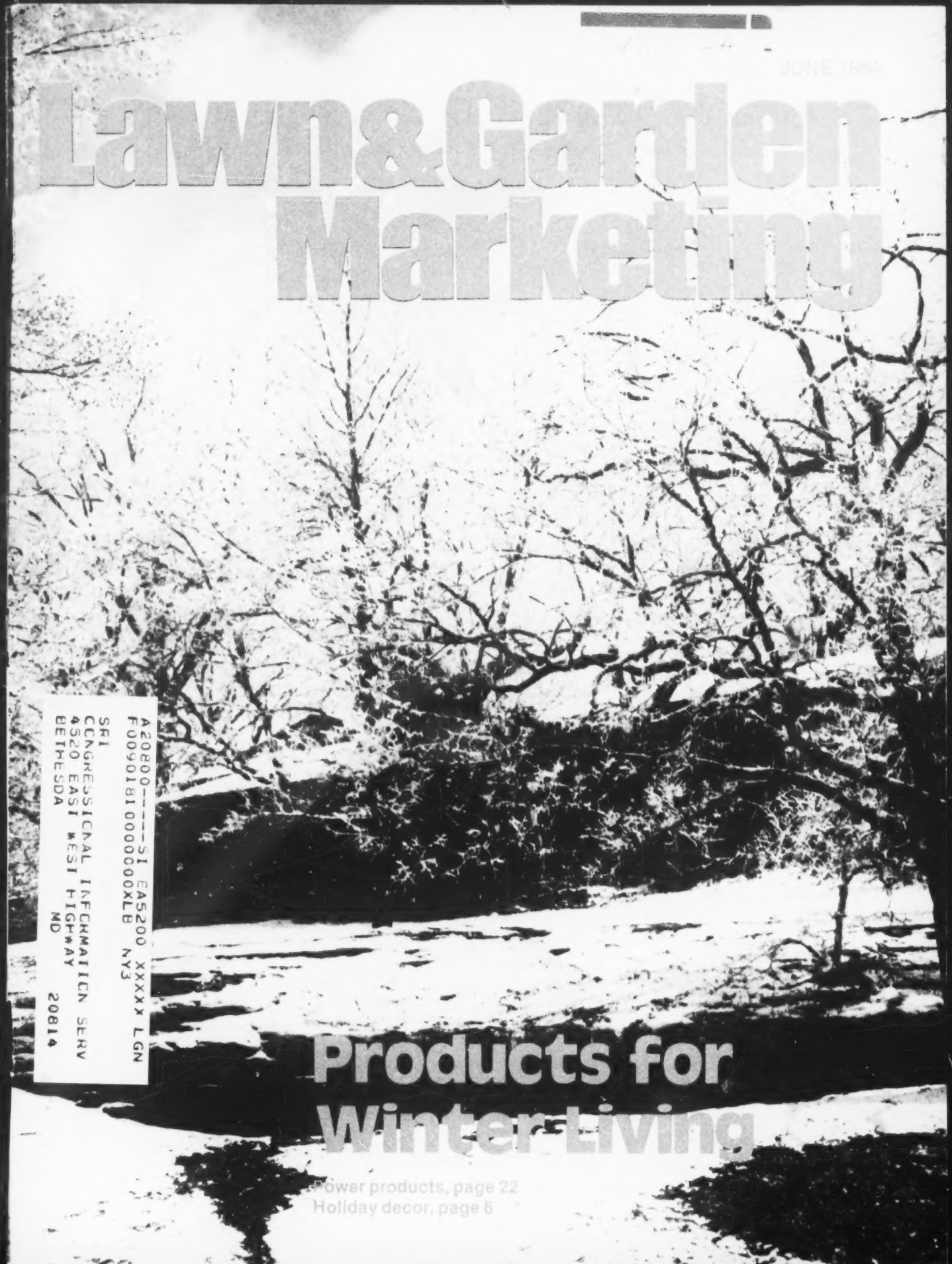
The Penningtons have one of the few private bird feed experiment stations in the country. They use 50 acres of land to test all types of feed and feeders. The station provides them with invaluable information on the feeding habits of wild birds.

Dealers who devote some space and energy to promoting wild bird feed and feeders provide a tremendous amount of enjoyment for their customers—and enjoyment for themselves and their bankers.

"Bird feeders are a real growth market," Gainsboro says. "The American public is taking more of an interest in nature and they enjoy watching and feeding birds." □

JUNE 1994

Lawn&Garden Marketing



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JUNE .984 VOL. 23 No. 5 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 Holiday decor: Garden centers are discovering a holiday advantage.

22 Cover Story: A special section on power products looks at the rebounding markets for chain saws, generators, logsplitters and snowthrowers.

(Cover photo by Gene M. Humo.)

6 Holiday decor brings full margins. Garden centers have space to completely redecorate for Christmas, an advantage other outlets don't have.

22 Selling power products for winter living: To harvest firewood. Chain saws cut their losses after a three-year decline in shipments.

23 ...To clear snow the easy way. Snow finally returned in 1983, and with it snowthrower sales.

39 NHS courts lawn and garden division. The National Hardware Show announces additions for the lawn and garden division, including a demonstration area.

45 Point committee sees demand for services. The American Assn. of Nurserymen predicts greater demand for interior landscaping in the next 15 years.

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Coming in July: International Lawn Garden & Power Equipment Expo Preview • Seminars at the Expo • Growing the Market: Building a Lively Sales Atmosphere Based on Consumer Knowledge • ABCs of Spreaders and Applicators

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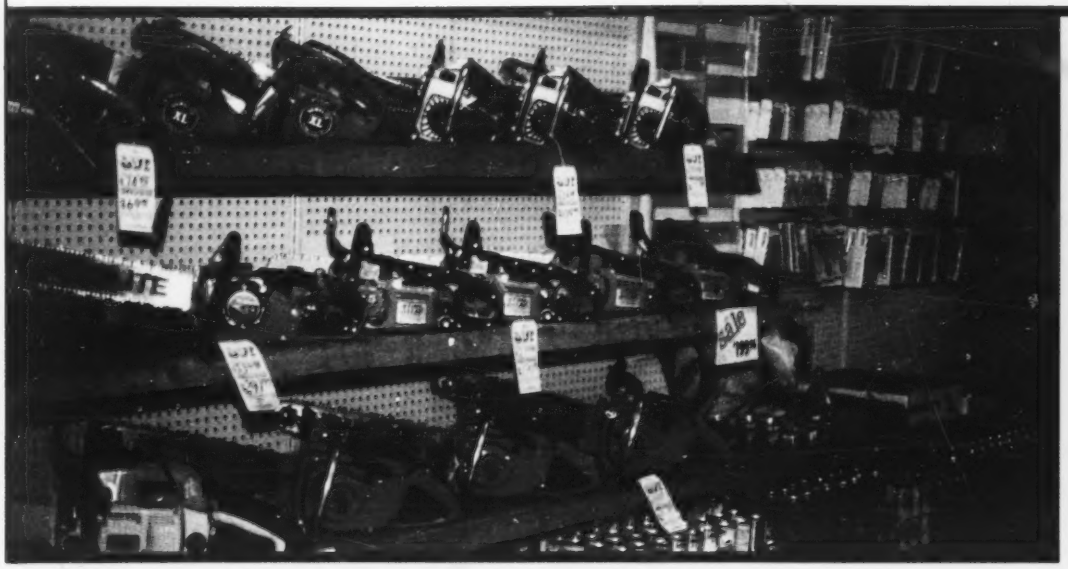
Selling power winter



By Wendall J. Burns

■After a three-year decline, the chain saw market began an upturn in 1983 that most manufacturers believe will continue in 1984.

The Chain Saw Manufacturers' Assn. reported that the total estimated shipments of gasoline-powered chain saws during 1983 was 1,527,000 units. This represents a 9 percent increase compared with 1982's estimated shipments of 1,400,000. This is the first annual increase of industry shipments compared with the previous year since 1979.

A survey of CSMA members indicated that most manufacturers believed that shipments of gasoline-powered chain saws will increase 4 to 6 percent during 1984. A few manufacturers believe that 1984 industry shipments will remain the same as 1983, and a few believe that shipments could increase 8 to 10 percent in 1984.

Data collected by **Lawn & Garden Marketing** covering autumn 1983 sales showed that retail sales of chain saws increased substantially in the South and West in autumn 1983 compared to 1982, declined in the North Central states, and remained about the same in the Northeast.

There are a number of forces that helped the market to recoup in 1983 and are expected to sustain it in 1984. One of these factors is the aging of the saws now in use, or at least owned, by households and commercial users. Many of them are not equipped with newly improved engines and safety devices. It is estimated that the median life of the 22.5 million saws now owned by users is eight to nine years.

The increased volume of housing starts is having an immediate positive effect on sales to the professional and commercial users in some regions and will give a long-term boost to sales of saws to casual users.

Safety: a new sales message

A proposed safety standard for chain-saw kickback is scheduled to be finalized by the end of this year. The proposed standard is already providing a new sales stimulus for manufacturers who anticipate either voluntary or mandatory standards on the models sold to consumers and have already introduced new features.

Whereas a few years ago price might have been the focus of the sales message, quality and safety have pushed the price consideration to the side. The chain brake and safety chain are key elements in design safety. But, also, there is the fact that more emphasis is being

continued on page 24...

At deadline, the CSMA announced that it had changed its name to the ***Portable Power Equipment Manufacturers Assn.*** *See story on page 34.*

Saws with new technology chain

(Classified by CID – Cubic in. displacement)

CID group	# of models	% of models	% of groups sales
1	95	71	80
2	9	22	53
3	44	16	36
All groups	148	53	62

Source: Updated CSMA industry survey and CPSC estimates

Saws with low-kickback guidebars

(Classified by CID)

CID group	# of models	% of models	% of group sales
1	95	43	42
2	9	44	13
3	44	20	22
All groups	148	36	32

Source: Updated CSMA industry survey and CPSC estimates

Chain saws ...continued from page 22

placed on selling the saws through servicing dealers who explain or demonstrate how to use the saw while making the sale.

Manufacturers who were once seeking increased unit volume through mass merchandise outlets have changed their emphasis. They are selling through distributors supplying retailers, who service the product.

Safety chain affected

If the new safety standard is adopted at the end of 1984, as it is now written, all saws smaller than 2.5 cubic inches will be required to have a safety chain. All saws smaller than 3.8 cubic inches sold to consumers will be required to have a safety chain.

Terms of the proposed standard provide that the American National Standards Institute and Underwriters Laboratory will determine which chains meet the safety standard. Chains would have to be marked for either professional use or consumer use, and consumer chains would carry the approval of ANSI. The standard would have a significant effect on the replacement chain market.

In preparing the standard, the CPSC did considerable work in obtaining a profile of the users, and of the manufacturers' approach to addressing the safety problems.

Improvements in advance

An internal status report for the CPSC staff issued one year ago showed that many changes were being made by manufacturers striving for safer saws. Following are some conclusions from this CPSC report:

"The increase in use of hand guards has been great in recent years and represents a major improvement in chain saw safety. While our CPSC consumer chain saw survey indicated that only about 55 percent of chain saws in use are equipped with hand guards, chain saws are now being almost universally equipped with them. We are aware of only one manufacturer that does not equip its saws with hand guards, and this manufacturer accounts for much less than one percent of all consumer saws marketed in the U.S.

"The hand guard is a technically simple and inexpensive safety device and is easily mounted on a chain saw. This probably explains in part its acceptance by manufacturers. Nonetheless, the equipping of chain saws with hand guards shows an important movement toward chain saw safety on the part of manufacturers.

"During the last several years chain saw manufacturers have increasingly equipped the chain saws considered in this report, electric saws and gasoline saws less than 3.8 CID, with anti-kickback safety features. We have estimated that about 62 percent of the shipments of these saws are being equipped with new technology chains, and another 7 percent are expected to be soon. Chain brakes are being equipped on about 23 percent. Either or both of these safety features are currently installed on about 75 percent of total shipments to U.S. retail outlets. In addition, about 32 percent of shipments are equipped with low-kickback guide bars, virtually all are equipped with hand guards, and one major manufacturer equips its saws with nose tip guards.

"The new technology chain will have a prominent role in anti-kickback safety. It is already a major anti-kickback feature on the Group 1 saws, and is becoming readily available for Group 2 and 3 saws. One of its great advantages is that it can be easily and inexpensively put on existing chain saws.

"The use of nose tip guards as standard equipment is probably unlikely on any major scale. With the exception of the one major manufacturer that does equip its saws with the nose tip guards, no other manufacturers have indicated an intention of doing so."

How the market evolved

Data presented for a 1983 hardware show seminar traced the evolution of the chain saw industry from the early 1970s. The presentation, by Carl L. Mikovich, president of the Beaird-Poulan Weed Eater Division, Emerson Electric Corp., included these highlights:

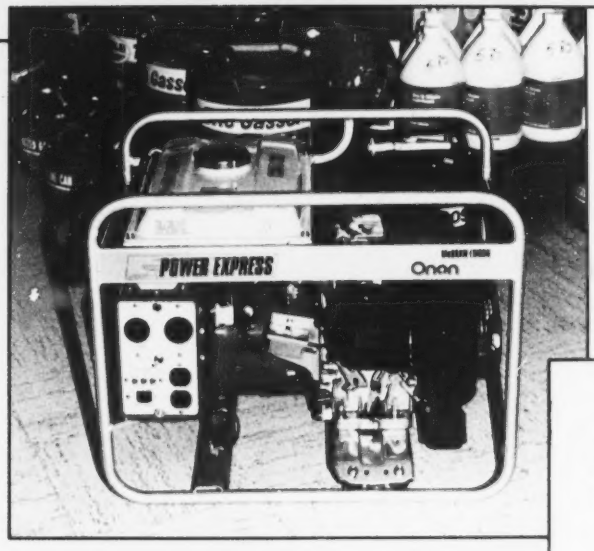
The early 1970s was the beginning of the consumer chain saw era, and the name "casual user" was coined for the buyer of a saw who used it just a few times a year.

An increase in industry shipments of 23 percent in 1971 was the industry's first period of rapid growth. For the next four years, sales climbed an average of 30 percent a year.

The decision to embargo oil by the Organization of Petroleum Exporting Countries created an awareness in the American public that they were vulnerable to skyrocketing prices and even shortages of fuel, and that they could become, in a sense, energy independent by using wood, coal or kerosene.

The demand for firewood, wood stoves and chain saws and log splitters skyrocketed.

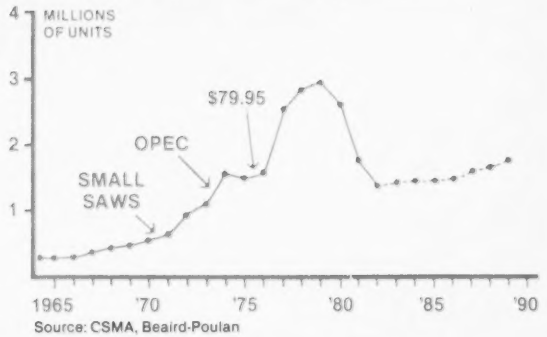
continued on page 26...



Generators: Unexpected sales surge triggered by ice storm

Generators, while not a major winter product, can be very important. During a late-winter ice storm in March, which knocked out power to more than 150,000 households in the metropolitan Kansas City area, Blue Valley Tractor & Supply, Stilwell, KS, sold more than 15 generators during the week after the storm. The generators, which cost from $800 to $1,200, were used to keep sump pumps, freezers and furnace fans operating. The generators also have year-round uses in this semi-rural community on the outskirts of Kansas City, and the store usually has several generators on hand to fulfill this need.

U.S. Chain saw shipments



Source: CSMA, Beaird-Poulan

Chain saws

...continued from page 24

Boost from low prices

The OPEC oil crisis helped boost sales to a level of 1.6 million units in 1975. But, the introduction of saws with retail price tags less than $100—as low as $79.95—created a great public interest. Added to this, the manufacturers started pouring millions of dollars into network TV advertising.

The very low prices began in 1976. In 1977, more than 2.5 million saws were sold, representing a 60 percent increase compared with the previous year. The chain saw sales curve peaked in 1979 at nearly 3 million units.

Mikovich's presentation explained that the dramatic spike in the curve between 1975 and 1982 was entirely due to the introduction of low-price, low-displacement models. He pointed out that some consumers did step up to larger models after their first low-end chain saw, and manufacturers put more advertising into promoting the saws in the $200 to $400 price range.

"In tracking low-end pricing and engine size from 1977 to 1982," Mikovich said, "you can see that saws under 2.1 cubic inches have declined from a 40-percent share of the business to about 25 percent. While saws retailing for less than $119 accounted for more than 25 percent of the market in 1977, they were only 5 percent of the units last year (1982)."

He said that contemporary chain saw buyers are more experienced and are stepping up in size. "The 3- to 3.8-cubic inch category is growing fastest...from 21 percent just four years ago to 31 percent in 1982."

Industry sources believe that the log splitter market peaked with sales of 128,000 units in 1978. But, now, the threat of electric power rates almost doubling in some regions served by electric utility companies using nuclear power has rekindled the interest of many consumers to cut back dependence on the utility companies. The introduction of lightweight splitters that can be packed into the car trunk or station wagon to go to the site of wood has put new life into this market also. Some of these units are available at retail prices less than $600.

One estimate was that there were 125,000 hydraulic, ram-type splitters powered by gasoline and electricity sold that year. It is a type of technology that beckons the avid handymen who want to harvest wood to try their hand at manufacturing, and many of the splitters in use are homemade units. The shipments and sales of power splitters has tapered off sharply since the 1978 peak mentioned above, and one estimate was that there would be 50-60,000 shipped in 1984. In addition to the ram-type splitters there are also screw-type augers on the market.

The CPSC is working with the manufacturers to develop a voluntary standard for splitters.

Firewood's the end product

Whether for cheap energy or for atmosphere, firewood is the end product of much of the activity in the saw and splitter market.

With an estimated 12 million wood-burning stoves owned by the public and the number of fireplaces installed in homes increasing at the rate of about one million a year, it can be expected that do-it-yourself woodsmen and small-scale contractors will continue to purchase equipment to harvest wood.

A survey by the U.S. Forest Service showed that in 1981 U.S. households bought $620 million worth of firewood. The survey showed that one-fourth of U.S. households burned a total of 42 million cords in 1981. Half of the households with incomes of $40,000 or more burn wood, and half of those households used wood only in fireplaces. □

Snow and sales

People remember snow.

We classify past winters by how much snow fell -- or how much didn't fall.

How does this affect snowthrower sales?

Lack of snow is immediate and obvious -- no snow, no sales. A heavy snowfall has immediate effects, but also has a residual effect on sales, says Robert Tracinski of John Deere.

"Historically, if you have a heavy snowfall you can have very good sales the following autumn," he says. "And if you have an early snowfall in autumn you have immediate sales. In Minnesota and Wisconsin we sold out immediately."

What happens when the snow doesn't fall early was dramatically illustrated in the winter of 1979-80. Cities that usually receive a decent snowfall between October and December received almost nothing by comparison.

Chicago, which normally receives more than 14 inches of snow before the first of the year, got 5.7 inches. Boston, .4 inches when it usually gets 9.2. Pittsburg received only 2.2 inches. It usually gets 12.8.

Snowthrower sales sagged.

One reason for the resurgence of sales this past winter was because of early heavy snows. Manufacturers and dealers expect good sales this fall because of it.

But Don Weakley of Snapper warns against relying too heavily on past weather performances.

"There's no way to project what sales are going to be," he says. "Anyone who suggests that is going to Vegas."

"It's difficult to measure," says Dick Pollick of Toro. "It's such a subjective thing."

In the New England area, early snowfalls are not a factor, says Gary Merrill of Crandall-Hicks Co. in Southboro, MA. The area gets its share of late snowfalls, however.

"We just had one of the snows in April," he says. "People will remember in the fall."

As always, the success or failure of the market will depend on the weather. As one Wisconsin dealer puts it, "The bottom line is, if the snow cooperates, we sell snowthrowers."

October-December snowfall

	Historical Average	1979
Boston	9.2	0.4
Buffalo, NY	25.6	32.3
Chicago	14.7	5.7
Cincinnati	6.6	2.9
Cleveland	17.8	4.7
Denver	19.6	41.2
Des Moines, IA	9.4	0.7
Detroit	14.5	5.5
Grand Rapids, MI	28.1	12.0
Kansas City, MO	5.6	Trace
Milwaukee	13.9	2.7
Minneapolis	15.7	8.8
New York	6.8	3.5
Omaha, NE	8.6	3.5
Pittsburgh	12.8	2.2

Source: The Toro Co.

Snowthrowers

...continued from page 30

with the year before. Only 7.8 percent said business was down, compared with 26.2 percent who reported a decrease the year before. The peak sales month for the majority was in November, although December was close behind.

Heavy demand

John Rosenburg of Bill's Power Center, Brookfield, WI said most of his sales this past winter were from first-time customers.

"Demand was pent-up," he says. "Homeowners were tired of shoveling snow, so they bought machines this year."

In neighboring Minnesota, the demand was strong. One dealer sold more than 3,000 snowthrowers, the majority of them during the first three weeks in December.

"A semi-truck load of snowthrowers per day was delivered to our store," says Palmer Siegel of Lyndale Lawn and Garden, Richfield, MN. "At one point, we had 15 people putting them together."

Why the demand after the slump? Merrill thinks that the basic reason is the business cycle.

"It's the old problem: what do you sell in winter?" he says. "The snowthrower market slowed when kerosene heaters were becoming very big. Dealers switched from snowthrowers to heaters."

Now that the kerosene heater heyday is over, he says, dealers are switching back to snowthrowers.

Slow and steady

The growth in the market is expected to continue, although no one is making glowing predictions. Many predict solid growth, however, and say that the industry has learned its lesson.

"We don't have any crazy, wild expectations," Pollick says. "But we do expect a solid 10 to 15 percent growth."

"Nothing sells itself," Merrill says. "How can we compete against the mass marketers? The key for dealers is product knowledge and service.

"There's no question there's a market." □

AUGUST 1984

Lawn & Garden Marketing

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PACKAGING

New designs lure impulse buyers

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PRODUCT PARADE

at the NHS

page 54

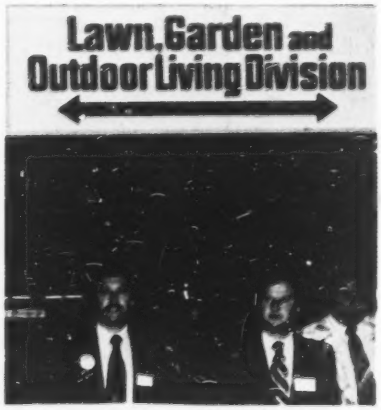
AUGUST 1984 VOL. 23 No. 7 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products.

6 Cover Story: Once the stepchild of advertising, product packaging is now a $50 billion-a-year industry, with a product's success hinging on the package's impulse appeal.

(Cover photo by Kevin Callahan; photo location courtesy Shawnee TG&Y, Shawnee, KS.)



24 NHS: The National Hardware Show adds some features to the Lawn & Garden Div. and continues to expand the products and packaging exhibitions.

6 Product Packaging: Volume retailers want more color, how-to graphics. How can you attract the attention of shoppers when they spend 13 minutes in your store? Companies will spend months and hundreds of thousands of dollars to find out.

24 Refocusing on lawn and garden: 1984 NHS. Sponsors of the giant Chicago show react to the Louisville Expo.

34 Product Movement Report. How eight product categories sold this spring.

36 OPEI buoyed by Expo, good sales. At the OPEI's annual meeting, optimism for the future replaces past years' anxiety about the acceptance of compliance mowers.

42 'Mowers to return to 5 million mark.' OPEI expects mostly rosy years for the outdoor power equipment industry.

54 Product Parade. Start planning your Chicago activities. This special section previews some of the products—some to be seen for the first time—that will be exhibited in the Lawn & Garden/Outdoor Living Div.

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Coming in September: How High-tech Factory Systems Improve Product Profits for Retailers • Post-show Report on Louisville Expo • Report on Growing the Market Seminars • ABCs of Indoor Plant Accessories

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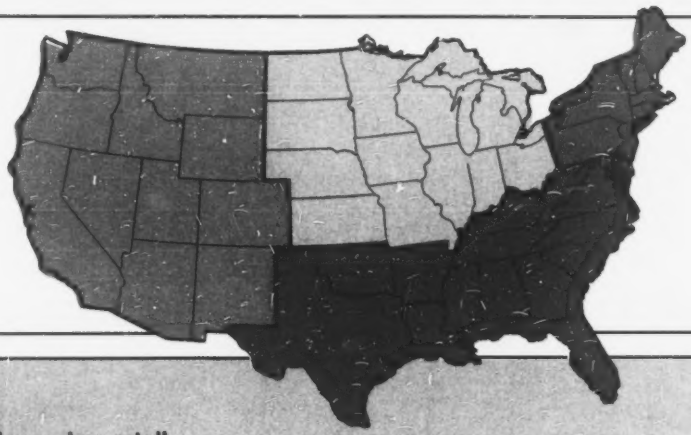
Product Movement Report



■Seven out of the eight product categories measured in the Spring 1984 Product Movement Report by **Lawn & Garden Marketing** showed improved retail sales volume compared with the same period in 1983. For those products, more retailers responding to the survey said volume was up than those who said volume was down.

The trends suggested by the data are in most cases consistent with reports from suppliers and other sources.

A cold, wet spring prevented sales from reaching expectations in many parts of the Northeast, especially sales of packet seeds and fertilizer, but landscaping products were selling well. One respondent wrote, "People are becoming more conscious of their landscapes." A few respondents suggested that retail owners publicize their stores. One owner said that sales were improved because of a flier on garden tools.

Most of the respondents from the North Central region reported that early spring sales were down because of rain—one reported 14 consecutive rainy weekends—but that sales picked up in May. Several said that fertilizer sales were hurt by competition with lawn care services. Some said higher prices were harming compliance mower sales, but others reported that consumers appreciate the safety features, making the older non-compliance mowers difficult to sell.

"It's been a good year! Everything is selling," was a common comment from Southern respondents, though a few were plagued with dry weather. Green goods, particularly, were mentioned as hot sellers, and respondents said vegetable gardening is on the increase.

Respondents from the West said that they expected a good year in 1984. Some are having a good year, but some are having uncooperative weather. One reported that though floods and mud slides hampered early spring sales, May sales tripled compared with 1983. Another wrote, "We went from a dry winter to summer temperatures. We are still waiting for spring."

Garden tools were up, according to about 30 percent of the respondents. The Northeast experienced the highest increase, 32 percent reporting sales to be up, compared with 15 percent last year.

Grass seed also sold better. This year 50 percent of the respondents reported more sales, compared with 1983's 27 percent. Last year 35 percent reported decreases, compared with 6 percent this year.

Lawn fertilizer sales remained stable, with fewer reporting decreased sales (14 percent) this year than last (25 percent).

Packet seeds also remained stable with fewer increases and decreases; 45 percent reported sales to be about the same as last year. □

Measuring retail sales trends for spring 1984

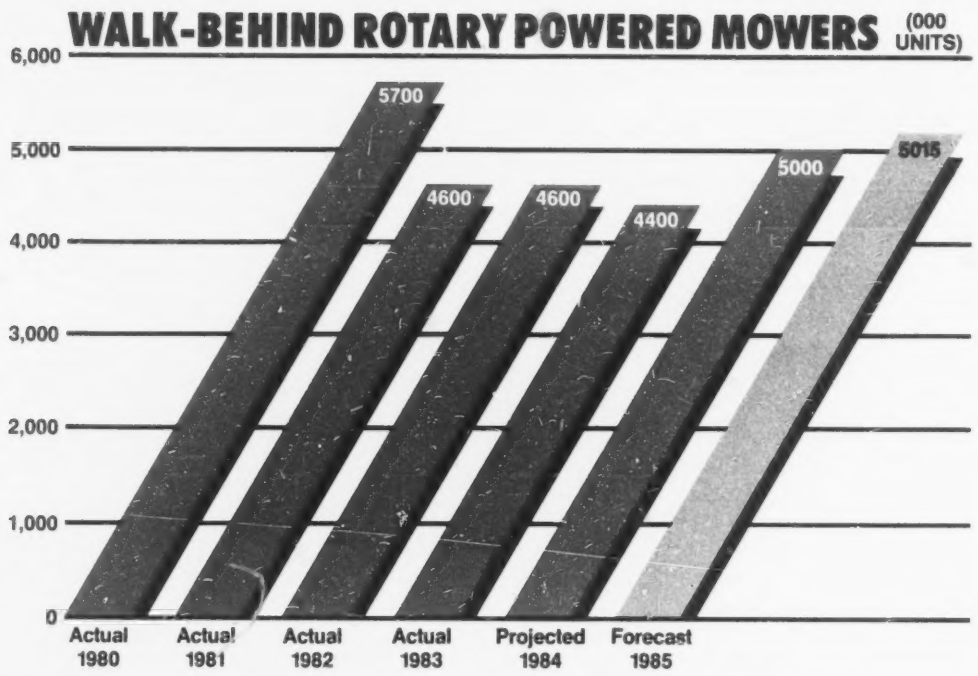
Volume sales and trends compared to last year

Key: ↑ up ↓ down About the same ←→

	SALES VOLUME	TOTAL %	NORTH EAST %	NORTH CENTRAL %	SOUTH %	WEST %	
Garden tools	**up**	**29.5**	**32.5**	**29.1**	**28.5**	**26.3**	↑
	same	**46.4**	**48.8**	**41.8**	**53.2**	**36.8**	
	down	**16.3**	**14.0**	**18.2**	**10.1**	**31.6**	
Grass seed	up	50.0	45.0	51.7	55.6	37.5	↑
	same	38.0	45.0	41.3	33.3	25.0	
	down	6.0	5.0	3.5	3.7	12.5	
Lawn fertilizer	**up**	**35.5**	**37.2**	**29.1**	**40.8**	**36.9**	↑
	same	**37.3**	**34.9**	**50.9**	**28.6**	**26.3**	
	down	**13.9**	**16.3**	**12.7**	**8.1**	**26.3**	
Packet seed	up	22.6	15.0	13.8	33.3	37.5	↑
	same	45.2	35.0	48.3	51.9	37.5	
	down	13.1	25.0	13.8	3.7	12.5	
Replacement parts	**up**	**60.6**	**68.0**	**47.2**	**62.4**	**73.7**	↑
	same	**33.6**	**32.0**	**47.2**	**29.2**	**15.8**	
	down	**3.9**	.....	**2.8**	**4.2**	**10.5**	
Riding mowers/ lawn tractors	up	27.4	33.3	24.2	30.5	20.0	↑
	same	23.1	22.9	17.7	26.1	30.0	
	down	12.4	8.4	19.4	8.8	10.0	
Rotary tillers	**up**	**14.4**	**12.0**	**16.7**	**16.7**	**10.5**	↓
	same	**28.9**	**28.0**	**19.4**	**45.8**	**26.3**	
	down	**28.9**	**44.0**	**30.6**	**16.7**	**21.1**	
Walk-behind mowers	up	28.0	35.4	19.3	37.0	20.0	↑
	same	38.7	35.4	46.8	30.4	40.0	
	down	15.6	12.5	14.5	13.0	26.7	

Percentages do not add to 100 because all respondents do not carry all products.

Current inventory of walk-behind mowers (median no of units per store)	22.0	23.8	19.0	23.0	27.5	



OPE shipments resurge:

'Mowers to return to 5 million mark'

Although the power equipment market is expected to soften in 1987, shipping increases before and after should soften the blow.

■Along with the economy's improving performance, the power equipment market is expected to improve through the rest of 1984 and into 1985.

Through the rest of the decade, the market will soften some in 1987 but will recover strongly in 1988 and 1989, according to projections by the Outdoor Power Equipment Institute, presented at the OPEI's an-

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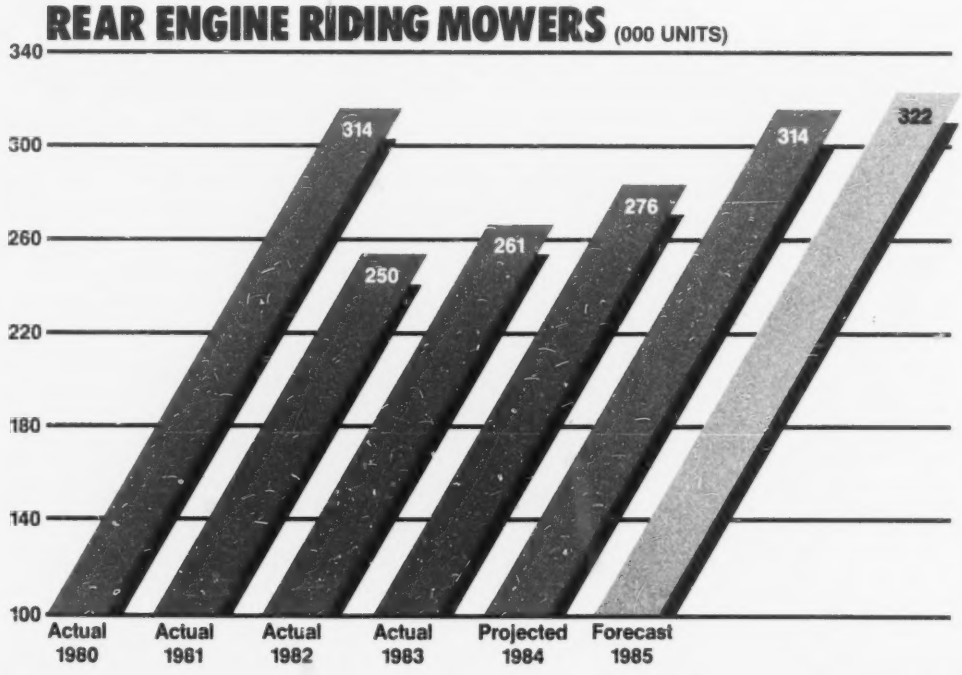
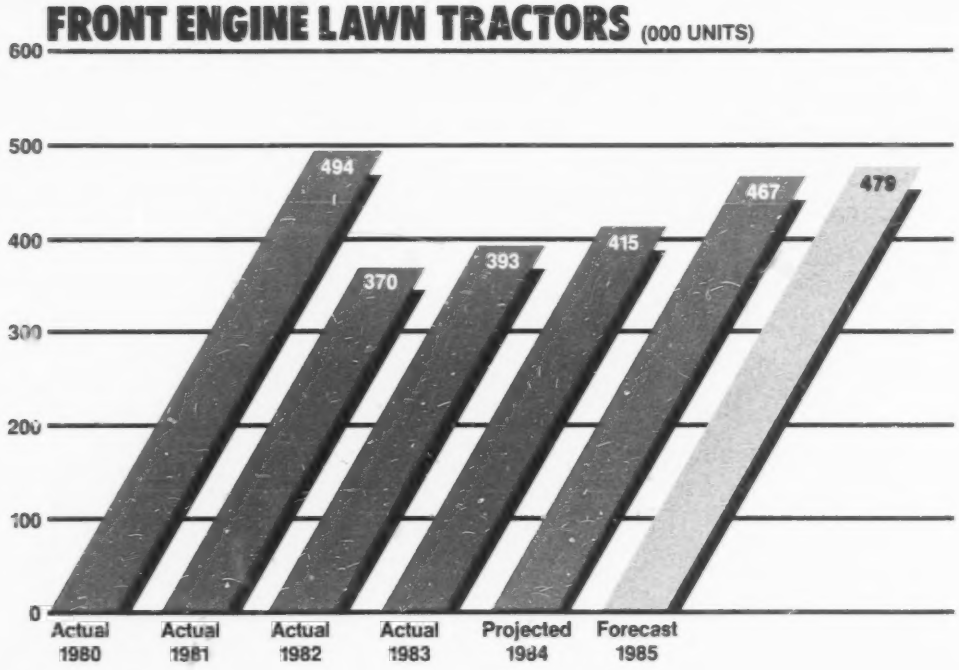


Graphs courtesy of Wheel Horse Products Inc.



OPEI forecast

...continued from page 42

nual meeting in June.

OPEI made the estimates after asking member companies to forecast key economic indicators and industry shipments by product class for the model year ending Aug. 31, 1985. The forecasts represent the average of 25 responses from member companies that participated. Wheel Horse Products Inc. presented the findings at the annual meeting.

Among the institute's product categories, only one, walk-behind snowthrowers, is not expected to increase in the number of shipments for 1985. The other categories are expected to post at least modest gains.

The greatest numerical increase is expected in walk-behind rotary-powered mowers. About 5 million units are expected to be shipped in 1984, an increase of about 600,000, and another 15,000 in 1985.

If the projections are correct, 1985 will be the second consecutive year that shipments were in the 5 million range. Shipments from 1981-83 were in the 4.5 million range, down from 5.7 million units shipped in 1980.

Rear-engine riding mower shipments are projected to move about 314,000 units in 1984, an increase of

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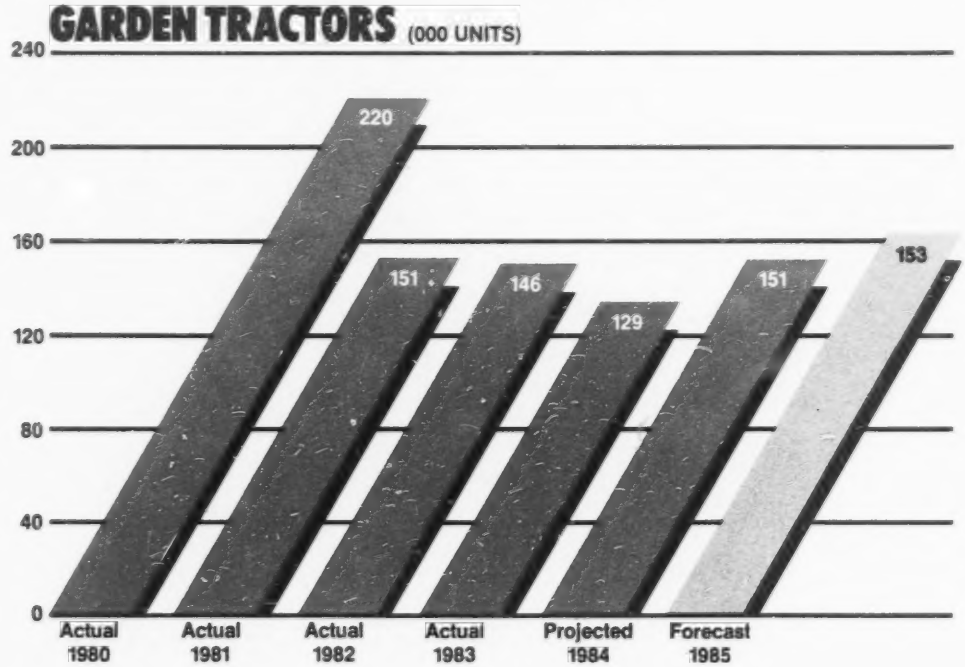

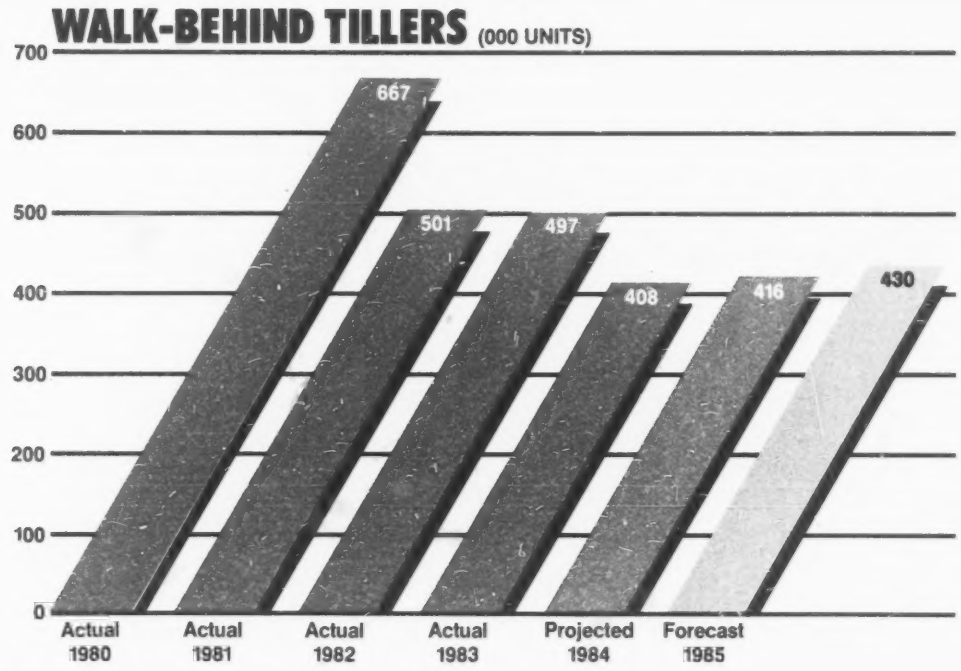

OPEI forecast

...continue from page 44

38,000 from 1983. For 1985, about 322,000 shipments are expected, which would be the fourth consecutive year that shipments have increased from the previous year.

That increase started in 1982, when shipments totaled 261,000 units, an increase of 11,000 from 1981's total of 250,000.

In 1981, the market suffered a fairly substantial drop in shipments compared with 1980, when 314,000 shipments were recorded. If 1985 projections are fulfilled, the totals would surpass 1980's total.

Front engine lawn tractor shipments are expected to be similar to the totals for rear engine riders. About 479,000 units are expected to be shipped in 1985, an increase of 2,000.

This increase will also be the fourth consecutive year in which shipments have increased, and would also follow a decline in shipments from 1980 to 1981.

In 1980, 494,000 front engine lawn tractors were shipped. The next year, shipments fell to 370,000. Shipments have increased every year since then.

Although the 1985 total would not quite equal the 1980 shipments total, it would be close to that.

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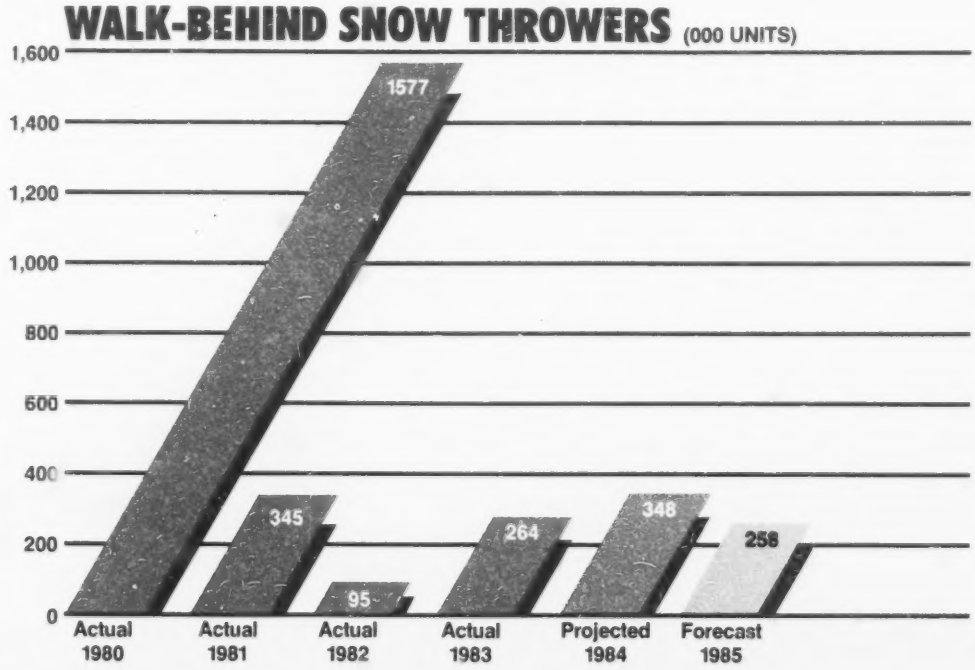
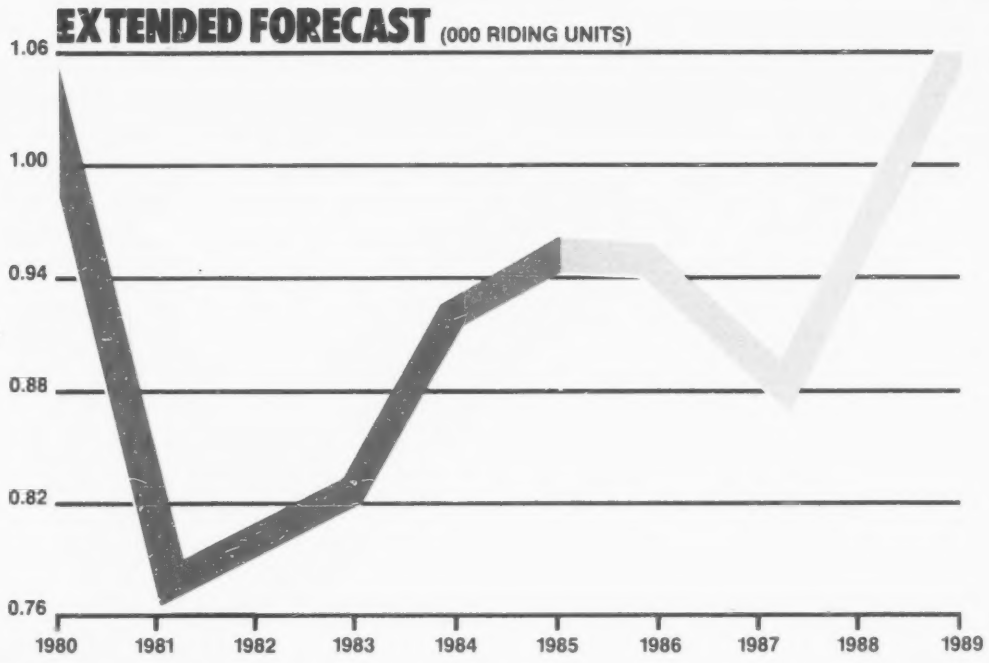




OPEI forecast ...continued from page 46

Garden tractors

Garden tractors, for the rest of this year, are expected to post a good increase compared with 1983 totals. About 151,000 units are expected to be shipped in 1984, an increase of 22,000 compared with 1983. The total for 1985 is expected to be 153,000, a 2,000-shipment increase compared with 1984.

Like rear engine riding mowers and front engine lawn tractors, garden tractors experienced a significant drop in 1981 after a good year in 1980. Unlike these products, however, garden tractors have not been able to recapture the 1980 levels, nor are they expected to.

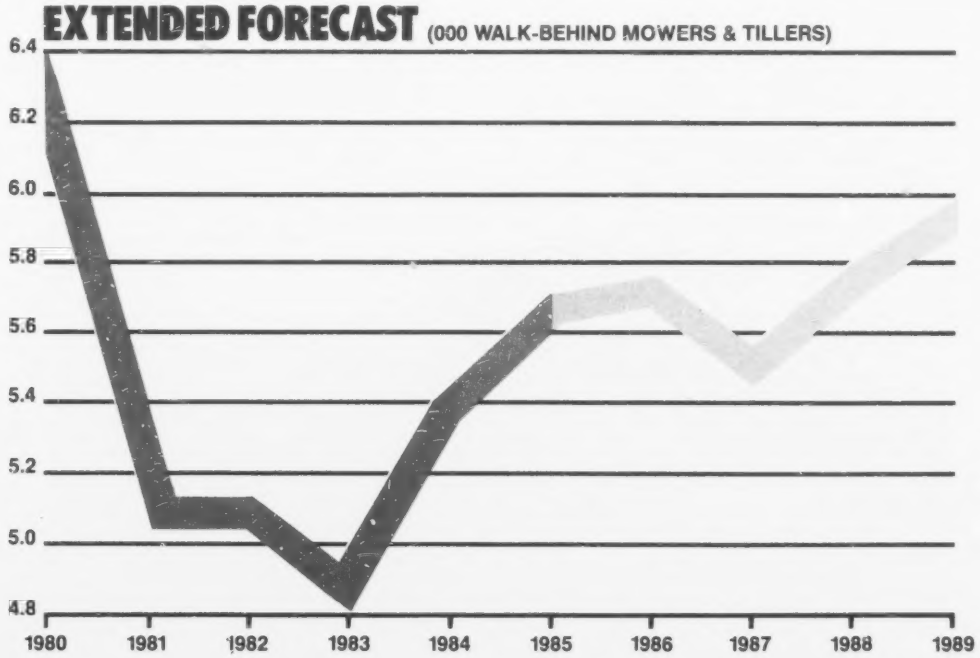
From 1981 to this year's projection, totals have stayed at around 150,000 units except for 1983, when they dropped to 129,000.

Walk-behind tillers are expected to be fairly stable, with shipments expected to be around 400,000. The 1984 total is expected to be at 416,000; for 1985, 430,000.

After a drop in 1981 to 501,000 after a total of 667,000 shipments in 1980, shipments of tillers have stayed in this range. The lowest reported total was in 1983, when about 408,000 units were shipped.

The only significant product not expected to remain stable is walk-

continued on page 72...



Circle (22) on Reply Card

SHOW STOPPER!

Rover Muncher. The garden care "plus product" that guarantees extra profits all year round.

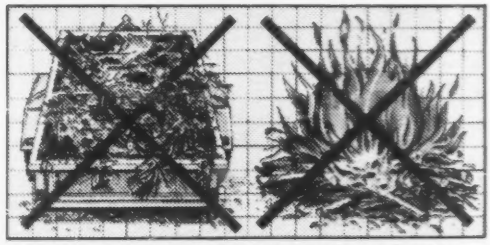
Here are the big benefits your customers are looking for.

No more trips to the dump.

No more smoky, backyard fires. The Rover Muncher instantly shreds garden waste into mulch or the basis of compost.

See this great garden machine at . . .

Booth 1851 at the National Hardware Show.



These days are over with the Rover Muncher Electric Shredder.

Great Garden Food Maker.
Leaves, twigs, small branches, bark and even kitchen scraps.
A special chute takes branches up to 1¼ inches thick.
Muncher
ROVER

Painted an attractive "garden green" the all-steel body is also rust-proofed for extra durability.
Muncher has in-built safety features and is UL approved.
A lightweight, easy to handle, portable machine, the Rover Muncher rolls to wherever the rubbish is.
Also folds down for compact storage.
Muncher
ROVER

Circle (36) on Reply Card

ROVER

Muncher.

Great Garden Food Maker.

OPEI forecast

...continued from page 53

behind snowthrowers. Shipments for 1984 are expected to increase compared with 1983, but another drop is expected in 1985, continuing an erratic five-year pattern.

About 348,000 units are expected to be shipped in 1984, but only 250,000 units are expected for 1985.

Shipment totals have been erratic since the market tumbled from a high of about 1.5 million units in 1980 to 245,000 units in 1981. (See the June **LGM** for a report on the snowthrower market.)

Five-year outlook

For riding units, the market is expected to increase as it has since 1981, with a peak in 1986. About 96,000 units are expected to be shipped that year, with a drop to about 88,000 units in 1987.

The market will then recover dramatically in 1988. OPEI says, with shipments exceeding 1 million units in 1989.

A similar pattern is expected for the walk-behind category. Sales will peak in 1986, after yearly increases since 1983, with a peak at about 5.7 million units.

The decline in 1987 is expected to be fairly modest, to about 5.5 million units. Shipments are expected to increase to about 5.8 million by 1989.

Members participating in the report also predicted modest shifts in the channels of distribution for 1985, with exports causing the major change.

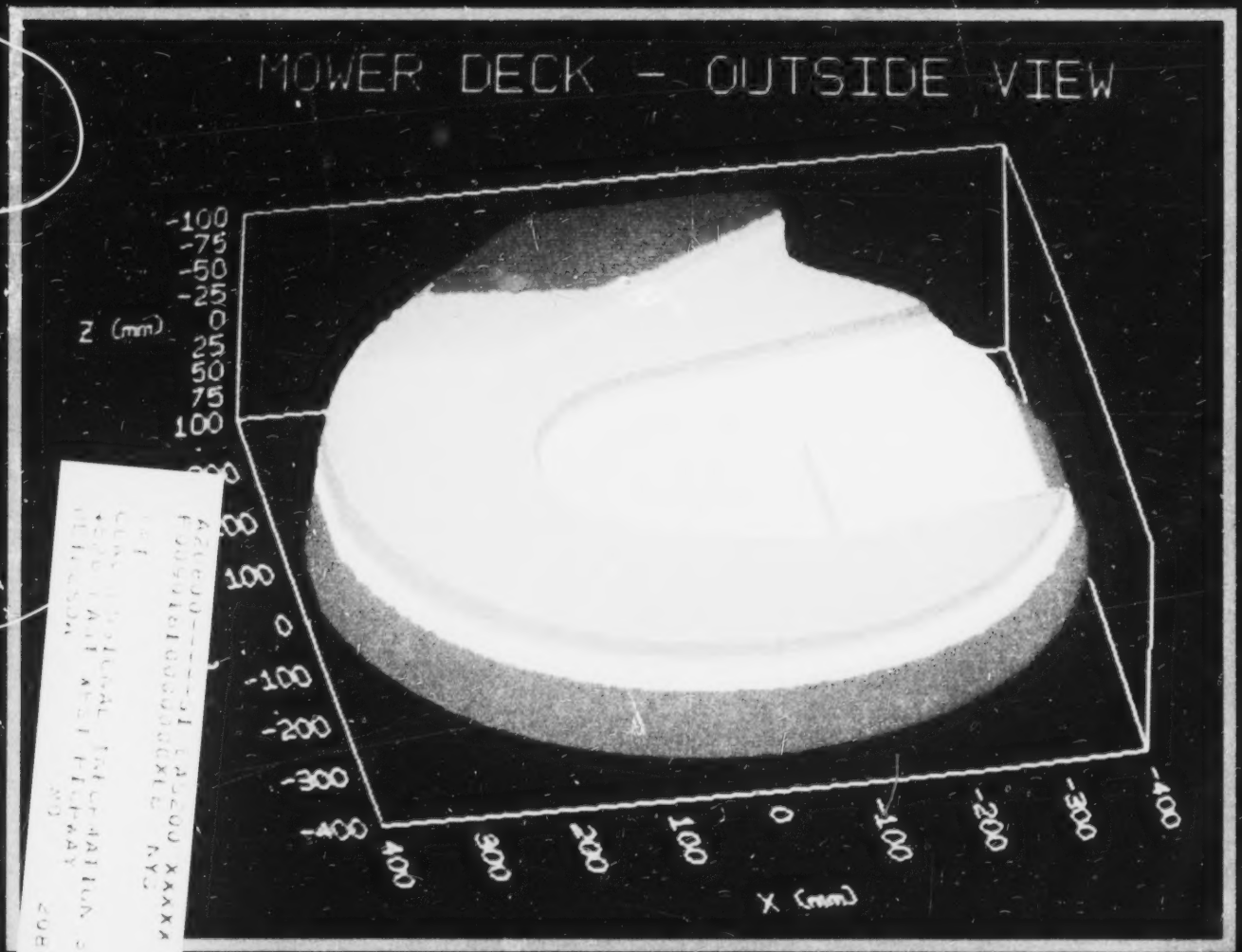
For 1985, about 3.1 percent of the total shipments are expected to be exports. This is a drop of almost half the total in 1981, when 7.6 percent of the total shipments were exported.

The rest of the distribution picture is expected to change very little. The category of merchandisers and other distributors is expected to make up 43.9 percent of the total, a slight increase from 1981's total of 42.7 percent.

The total of wholesale distribution is expected to be 37.1 percent, compared with 34 percent in 1981. Retail distribution is expected to increase slightly in 1985, to 15.9 percent compared with 15.7 percent in 1981. □

SEPTEMBER 1984

Lawn&Garden Marketing



HIGH TECH IS HERE

The meaning to retailers

Page 6

6 **Cover Story:** High tech is no stranger to lawn and garden. Many tangible manufacturing benefits have been realized, and more are on the way. (Cover photo courtesy of Deere & Co.)

24 **Louisville Expo:** The weather cooperated, the crowds materialized and next year's show dates are set. (Related story on page 48.)

SEPTEMBER 1984 VOL. 23 No. 8 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 **High tech is here.** You may not see the manufactured results of computer-aided manufacturing, but you'll notice when high-quality equipment becomes cheaper.

24 **Louisville Expo: it worked.** Using the outdoor demonstration area as a showcase, manufacturers unveiled innovative equipment for the 1985 season.

34 **Simmons and Gallup data presented to Executive Forum.** The wide world of lawn and garden explained at the National Hardware Show.

48 **Attendance and attitudes spelled success.** The smoothness of the show and the enthusiasm of the staff turned many arriving skeptics into believers.

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Coming in October: The Changing Market for Fertilizers and Chemicals • How an Ace-Retailer-Owned Company Builds Lawn and Garden Volume • ABCs of Engine Filters

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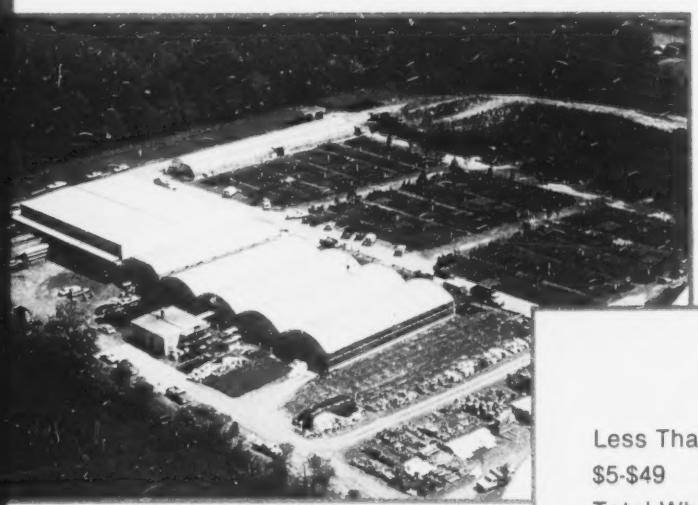
Simmons and Gallup data presented to Executive Forum



Growing the Market

The Weyerhauser/Shemin distribution center in Butonsville, MD, is one of three one-stop green goods and hardlines centers that the company operates.

■The 1984 Growing the Market Executive Forum sponsored by **Lawn & Garden Marketing** focused on the acquisition and analysis of sales data and trends.

The data are presented here, along with an example of one company (Weyerhauser/Shemin) that is expanding distribution of a variety of hardlines and green goods products, based on experience and on researching consumer trends.

The Executive Forum, as in 1983, was scheduled during the National Hardware Show in Chicago. Following are highlights of the data and suggested applications as presented by the panelists.

Phil Robertson is vice president of marketing for the Custom Studies Div. of Simmons Market Research Bureau.

"Before I share some findings with you from our latest survey, I want to caution you not to use numbers the way a drunk uses a lamp post: for support, rather than illumination. Don't say, 'Wow! 54 million Americans bought flower seeds last year. We're doing great.'

"Rather, try to understand how you can sell to millions of

continued on page 36...

Table 1 1983 Seed Purchases

	Flower	Vegetable	Lawn
Less Than $5	21.1 %	17.3 %	7.3 %
$5-$49	12.1	21.7	15.8
Total Who Bought	(33.8)	(40.0)	(24.4)

(Base: 162 Million Adults)

Source: Simmons

Table 2 1983 Fertilizer Purchases

	House-plant	Vegetable	Lawn
Less Than $5	24.6%	8.7%	4.0%
$5-$49	13.6	17.8	24.6*
Total Who Bought	(38.2)	(28.0)	(33.4)
* $20-$49			9.5%

Source: Simmons

Table 3 1983 Lawn Fertilizer/ Purchaser Profile

	Index
... Spent More Than $20...	
– Northeast Census Region	137
– Managers & Professionals	147
– Graduated College	152
– Household Income $40,000 or More	150

Source: Simmons

Table 4 1983 Lawn and Garden Equipment Ownership

	%
Riding Lawn Mower	11.0
Gas Walk Behind Mower	33.7
Electric Yard Trimmer	18.2
Gas Yard Trimmer	4.1
Snow Blower	6.7
Chain Saw	19.4
Garden Tiller	10.4

Source: Simmons

Table 5 Four Year Review Of Garden Tiller Ownership

	Owners (000)	% of adults
1983	17,233	10.4
1982	16,675	10.3
1981	14,773	9.3
1980	14,726	9.3

Source: Simmons

Executive Forum

...continued from page 34

Americans who did not buy flower seeds.

"The 1983 study of media and markets shows that one in five adults bought less than $5 worth of flower seeds, and one in 10 spent between $5 and $49. Vegetable and lawn seed sales are skewed to higher annual sales. Plan your sales promotion budgets and inventory space allocations accordingly.

"Fertilizers show a similar pattern, but lawn fertilizer purchases between $20-$49 are at a hefty 9.5 percent (Table 2). That's 16 million people who traded off dinner at a restaurant for green grass.

"Looking further at the Simmons data on lawn care, the buyer profile shows that $20-plus sales were heaviest in the Northeast, purchased by managers and professionals who are college-educated with incomes of $40,000 and more.

"By contrast, the profile of 'other fertilizer' purchases—and those in the audience raising cows, horses or chickens will know what we delicately mean by 'other'—are over 50 years old living in the West or central East with low incomes.

Ownership percentages

"Turning to equipment, we find 11 percent owning a riding lawn mower, 33.7 percent a gas-powered walk-behind, 18.2 with an electric yard trimmer, with only 4.1 percent using a more effective gas unit, 6.7 percent are blowing away snow instead of suffering heart attacks while shoveling, 19.4 percent are attacking trees with their chain saws and 10.4 percent tilling their gardens the easy way.

"Ownership of this latter category shows a slow, but constant, growth over the past four years despite the recent recession. People in the north central states constitute the best market for tillers.

"Their homes are in the $40,000 to $80,000 range. People with homes in the $20,000 to $40,000 range are not far behind in buying tillers.

"I have leaned on the lamp post with some numbers, and I have interpreted some of them to provide illumination about the purchasers. If you have gotten an idea or two about how to size up your prospect as he or she walks in your door, be careful.

"As Mark Twain is reported to have said, 'Any good idea sooner or later leads to work,' and I want to suggest a plan to help you work to sell your market.

"Data I have reported come from Simmons. Manufacturers can usually gain access to these reports through your advertising agencies, and retailers through your Yellow Pages representatives.

"Data are also available in **Lawn & Garden Marketing** and other publications. Analyze national trends against your own sales figures, talk to media representatives who want you to advertise and become your own market researcher.

"Retailers can develop and conduct their own in-store survey and make it worthwhile to the customer to fill it out. By that I mean give them a packet of seeds or a bottle of Roottone for completed questionnaires."

Bruce Butterfield is research director for Gardens for All, and the designer and interpreter of the Gardens for All/Gallup survey.

"Overall, no lawn and garden activity saw a significant increase in popularity among U.S. households between 1982 and 1983. Of the 15 kinds of indoor and outdoor lawn and garden activities measured both years, eight were essentially unchanged and seven saw a small decrease in the percentage of all households participating.

"Lawn care, flower gardening, landscaping, ornamental gardening, fruit trees, berries, nuts and raising transplants were at about the same level in 1983 as in 1982. Indoor houseplants, vegetable gardening, shrub care, controlling insects, pruning, tree care, and edible landscaping all saw small, yet significant, decreases in 1983 (Table 2A).

"The fact that U.S. household population increased from 82.5 million households in 1982 to 84.5 million households in 1983 served to moderate the impact that a lack of growth in the percentage of households participating in lawn and garden activities had on the actual number of households participating (Table 3A).

Identifying avid gardeners

"The lawn and garden participation index rates those demographic groups in the U.S. household population which are more avid lawn and garden participants. It compares the percentage a particular demographic group represents of the 70 million households involved in lawn and garden activities in this country with the percentage that same demographic group represents of the total U.S. household population of 84.5 million.

"Demographic groups that make up a higher percentage of all lawn and garden households than they represent in the total U.S. household population will rate higher than 1.0 on the lawn and garden participation index. These people are the most avid participants in lawn and garden activity in the country and the primary target groups for products and informa-

continued on page 38.

Executive Forum

...continued from page 36

tion.

"Groups which rate at 1.0 on the lawn and garden participation index show about average involvement in lawn and garden activity and are of secondary importance to lawn and garden businesses. Demographic groups rating less than 1.0 on the lawn and garden participation index are the least involved in lawn and garden activities.

"The demographic groups rating the highest on the lawn and garden participation index in 1983 were:

- People between 30-49 years of age;
- College educated households;
- Those with professional, business, clerical/sales occupations;
- The Midwest and Pacific states;
- Suburban, small town or rural residents; and
- Upper income households.

Consumer sales index

"The lawn and garden consumer sales index is based on the lawn and garden participation index. It compares the percentage of all retail sales of lawn and garden products made in 1983 by specific demographic groups with the percentage of all U.S. households participating in lawn and garden activities that these same groups represent.

"Households rating higher than 1.0 on the consumer sales index in 1983 spent significantly more per capita and in total on lawn and garden activities than all other groups. Total retail sales of lawn and garden products to people who rate at 1.0 on the index were about equal to the percentage their group represents of all U.S. households participating in lawn and garden activities. Demographic groups that rate below 1.0 on the index had a lower percentage of total sales than their group represents of all U.S. households participating in lawn and garden activities.

"The following demographic groups rated the highest on the lawn and garden consumer sales index in 1983:

- Men;
- People between 40 and 49 years of age;
- College educated households;
- Those with professional or business occupations;
- Households in the South and West;
- Married households;
- Suburban households; and
- Upper income households."

Emanuel Shemin is president of Shemin Nurseries Inc., a joint-venture company with the Weyerhauser Corp.

In 1955, Emanuel Shemin perceived a void in the New York metropolitan area to fill the need of nursery and related products for that market. He organized Shemin Nurseries, Greenwich, CT, a unique one-stop shopping distribution center that has grown to include a broad range of hardline and green goods products—some 4,000 items in all.

In 1979, Shemin Nurseries entered into a joint venture with the Weyerhauser Co. to further expand this unique distribution concept. Subsequently, the Weyerhauser/Shemin organization has opened distribution centers in Burtonsville, MD, which services the Washington, DC, and Baltimore areas; Norcross, GA, to serve the Atlanta market; and Addison, IL, to serve the metro Chicago area.

The distribution centers are geared to serve the marketplace with a wider variety of merchandise, and to serve it well beyond what has come to be called the peak of the season.

The customer list includes garden centers, mass merchandisers, landscape contractors, department stores, plant shops, interior landscapers, irrigation contractors, custom applicators, and any other trade or institution involved in landscaping or selling to the lawn and garden and landscaping trade.

Shemin, as a panelist, put himself in the place of the retailer, to envision changes retailers may consider to "grow the market." Some of his recommendations:

More competition

- "Increased inter- and intra-industry competition means that more effective promotional activities will be necessary to gain my fair share of the consumer's dollar. There is a real difference between sales and profitable sales. I have learned that I am not selling a commodity based on price, but one based on performance."
- "My customers are more educated about value, quality and service and want them at a competitive price."
- "The increase in two-paycheck households is giving my customers more discretionary income. I must position my business to get my share."
- "My customers have a more positive attitude about their economic position and lifestyle. Their purchasing will be more related to their perception than to their reality. I must market to that optimism."
- "Smaller-size households (in both the number of people and in the physical size of the house and the property) demand different products and services from the industry. I must adjust my product lines to meet these needs."
- "My customers are choosing housing that does not allow them to make the final landscaping decisions (condos, apartments, etc.). I must

continued on page 43...

Table 1-A
1983 Lawn And Garden Retail Sales

Activity:	Retail Sales ($ Billions)	% Of Total
1. Lawn Care	3.6	29
2. Landscaping, Tree Care Shrub Care, Ornamentals	3.5	28
3. Flower Gardening	1.8	14
4. Vegetable Gardening	1.8	14
5. Indoor Houseplants	.7	6
6. Controlling Insects	.7	6
7. Fruit Trees/Berries	.5	4
Total	$12.6	100%

Source: GFA/Gallup

Now Gilmour includes a free Gentle Spray Attachment with each Dial-A-Mix™ sprayer.

A nifty, useful accessory worth $1.00 Makes the Dial-A-Mix even more versatile and attractive.

And a free Male Quick Coupler with Gilmour oscillating sprinklers
(Models 6800S, 7500D and 7900D only.)

Profit even more by selling the "female" attachment for this free "male" end of the Gilmour Quick Coupler. Makes connecting hose to sprinkler a snap!

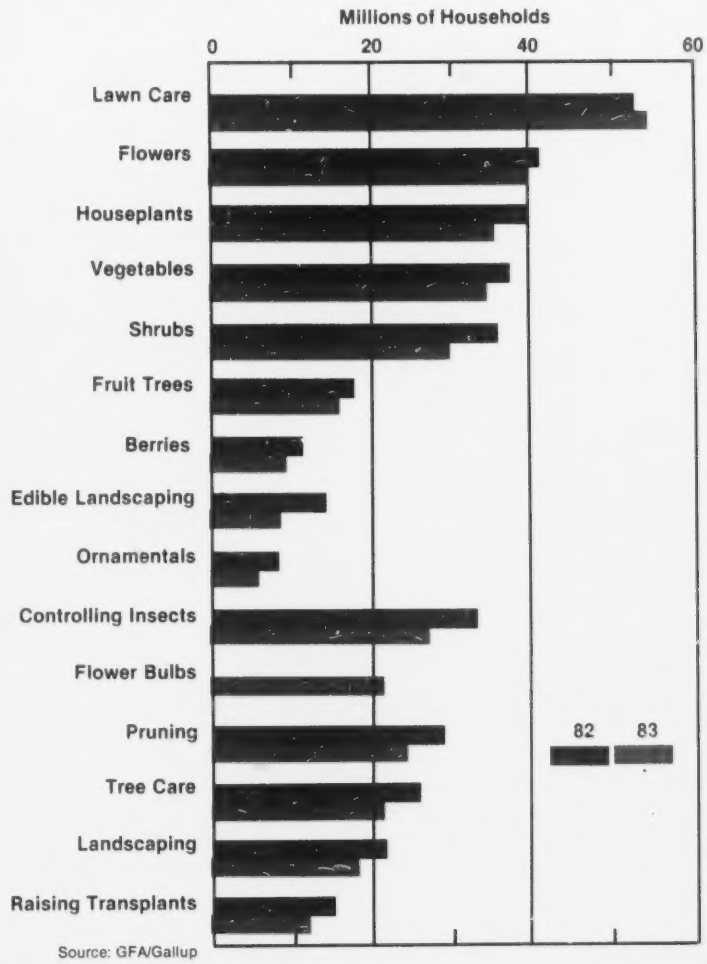
Also, be sure to ask about our Special Offer on Quick Coupler sets. Call or write today!

Gilmour
A VERMONT AMERICAN CORPORATION
Somerset, PA 15501

Circle (23) on Reply Card

Table 2-A Lawn and Garden Trendline

1982-1983 Lawn and Garden Activities of All U.S. Households



Source: GFA/Gallup

Table 3-A
% Of All U.S. Households Involved

Lawn and Garden Activity	1981 %	1982 %	1983 %	1981-1983 % Point Change
Lawn Care	65	63	63	– 2
Flower Gardening	47	50	47	0
Indoor Houseplants	51	48	43	– 8
Vegetable Gardening	47	46	42	– 5
Shrub Care	43	42	35	– 8
Controlling Insects in Lawn/Garden/Tree	NA	39	32	– 7
Pruning	NA	34	29	– 5
Tree Care	NA	30	25	– 5
Landscaping	NA	26	23	– 3
Fruit Trees	19	22	20	+ 1
Raising Transplants	NA	18	15	– 3
Growing Berries	11	13	12	+ 1
Edible Landscaping	8	17	11	+ 3
Ornamental Gardening	7	10	7	0
Nut Trees	5	7	5	0

Source: GFA/Gallup

continued on page 44...

Table 4-A 1983 Lawn and Garden Participation Index

	U.S. Household Population %	U.S. Household Population MM	Lawn & Garden Participation %	Lawn & Garden Participation MM	Lawn & Garden Participation Index
Sex					
Male	48	41	49	34	1.02
Female	52	44	51	36	.98
Age					
18-29	27	23	26	18	.96
30-49	34	29	35	24	1.02
50 & over	39	33	39	27	1
Education					
College	30	25	31	22	1.03
High School	55	46	53	38	.96
Grade School	15	13	13	9	.86
Occupation					
Professional	15	13	17	12	1.13
Business	11	9	12	8	1.09
Clerical/Sales	8	7	9	6	1.12
Manual Labor	37	31	36	25	.97
Farmer	3	3	4	2	1.33
Retired	16	14	16	11	1
Other Non-Labor	4	3	3	2	.75
Undesignated	6	5	3	2	.50
Region					
East	27	23	26	18	.96
Midwest	28	23	30	21	1.07
South	28	23	25	18	.89
West	18	15	18	13	1.0

Source: GFA/Gallup

Table 5-A 1983 Lawn and Garden Participation Index

	U.S. Household Population %	U.S. Household Population MM	Lawn & Garden Participation %	Lawn & Garden Participation MM	Lawn & Garden Participation Index
Section					
New England	5	4	5	3	1.0
Mid Atlantic	22	19	21	15	.95
E. Central	18	15	19	13	1.05
W. Central	9	8	11	8	1.22
Rocky Mtn.	4	3	3	2	.75
Pacific	14	12	15	10	1.07
Deep South	8	7	7	5	.88
Rest of South	20	17	19	14	.95
Stage in Life Cycle					
Married, No Children	32	27	34	20	1.06
Married, With Children	32	27	34	19	1.06
Single	21	18	19	11	.90
Separated/ Divorced/Widow	15	13	13	19	.87
Size of Community					
City	32	27	28	20	.88
Suburb	26	22	27	19	1.03
Small Town	15	13	16	11	1.06
Rural	26	22	28	19	1.07
Income					
$40,000 & over	14	12	16	11	1.14
$30-39,999	11	9	12	8	1.09
$20-29,999	19	16	20	14	1.05
$15-19,999	16	14	16	11	1.0
$10-14,999	17	14	16	11	.94
$ 7-9,999	8	7	9	6	1.12
$ 4-6,999	10	8	7	5	.70
Under $4,000	6	5	4	3	.66

Source: GFA/Gallup

Executive Forum

...continued from page 43

compensate for this fact by offering product lines that correspond to this new lifestyle. At the same time, I must understand and develop new markets—the developers of these projects who are making the final landscaping decisions."

Baby boom gardens

- "The strongest market traditionally for our industry has been a mature market of approximately 45 years of age. Today, I am waiting for the impact of the World War II baby boom to hit that level. I've got to develop a strategy for this new market. Two-wage earner families have placed a premium on time and increased the demand for one-stop shopping. This may require me to diversify and expand my product line."
- "Most importantly, there is an increase in the percentage of non-users of our industry's products. We must reverse that trend."
- "We must develop programs and activities to sell our products year-round—maintaining stability in previously slow seasons."
- "Increased use of industry products in public buildings can be transformed into advertising to increase awareness and results in additional sales."
- "Increased advertising and promotional expenditure by competitive industries seeking larger shares of consumers' discretionary income will reduce industry sales unless strategic marketing programs are developed and implemented."
- "All previous indicated changes will require a more sophisticated, resourceful management of my business. Continued management training in areas of prime need will keep me abreast of the most innovative ideas." □

Examples of profitable applications of available data by introducing new products or by serving untapped market segments was the topic of Edwin Bobrow, marketing consultant, professor and author, who served as a panelist on the 1983 and 1984 Executive Forum. His comments on applying the data to today's marketplace will be presented in November/December.

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OCTOBER 1984

Lawn&Garden Marketing

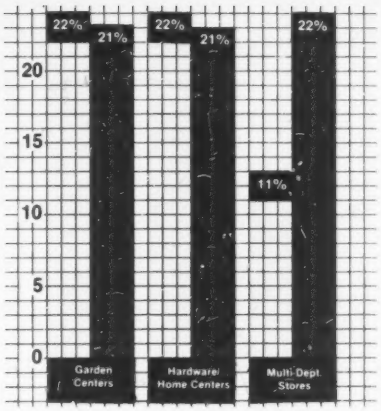
FERTILIZER UPDATE

Retailers switch brands, tactics – page 6

How Ace sets the pace for lawn and garden

Growing the Market

See page A-1



6 Cover Story: More retailers than ever are switching fertilizer brands. (Cover photo courtesy of Tom's Garden & Christmas World.)

A-9 Ace Insert: Ace buyers, such as Tony Drufke, above, practice the high degree of commitment the Ace organization pledges to its dealers and to manufacturers, as well.

OCTOBER 1984 VOL. 23 NO. 9 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

6 Lawn fertilizer update: From switching brands to offering $5,000 guarantees, lawn fertilizer dealers employ a variety of marketing strategies described in this two-part article.

12 One supplier's view of the fertilizer business, The Andersons of Maumee, OH, maintains that lawn contract operators have given the Green Industry a tremendous boost.

14 Two retailers' use of radio helps to establish a home gardening audience and build business, too.

A-1 Ace sets the pace for the lawn and garden industry by combining corporate dedication with a rare blend of buyers and dealers who work together to turn products into profits.

32 In Chicago, the NHS was repackaged to provide better reception, more consideration for the lawn and garden industry.

DEPARTMENTS

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46 New Products
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Coming in November/December: The annual Market Data Issue with new data from Gallup Poll of households, surveys of retailers by **LGM,** and data from the U.S. Dept. of Commerce, trade associations and other sources • 1985 Calendar of Events • Trends in Marketing Commercial Mowers • ABCs of Wood Splitting Equipment.

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LAWN FERTILIZER

Retailers switch brands, strategies to hold

■Retailers who have sold granular fertilizer for years have seen some tumultuous changes, primarily due to the growth of the LCOs (lawn care operators, who apply liquid fertilizers). Now, it seems that some suppliers and retailers are learning from the marketing strategies of LCOs and are changing their methods.

Even as some retailers were writing to report that the LCOs were inimical to their business of selling bagged, granular fertilizer, other retailers, and at least one major formulator, were counting the LCO activity as a plus for the industry.

Data from the retailers show that the retail sales increased in 1984 compared with 1983 and also as compared with 1981. These data were received in a special survey of retailers conducted this summer by **Lawn & Garden Marketing.**

Highlights from the survey and information from fertilizer industry sources revealed these impressions:

- The LCOs make more people aware of the beauty of green lawns, and some do-it-yourselfers are encouraged to apply their own fertilizer after seeing the results of the liquid applications on their neighbors' lawns.
- Home owners with larger property—one acre or more—are usually equipped with a lawn tractor and related equipment and find the LCOs to be prohibitive.
- The increasing number of the large suburban and exurban lots helps sustain the granular market.
- The four-step program introduced by O.M. Scotts this year was an effective marketing tool and will have some imitators.
- More retailers than ever are changing brands. There is an increasing number of private label granular fertilizers.
- One formulating company sees enough growth potential that it opened a new plant for lawn fertilizers and plans more expansion in the industry.

Also from the survey, 42.1 percent of the respondents reported sales were up with a median increase of 15 percent. A total of 37.7 percent said sales were about the same, and about 9.6 percent reported a sales decrease with a range from 8 to 30 percent and a median decrease of

$5000 guarantee on price wins fertilizer sales

By Steve Trusty

■Tom's Garden and Christmas World is a 42-year-old, second-generation garden center located 15 minutes west of Atlantic City, NJ. Tom's was founded by the father of present co-owners, Charlie and Bobby Caucci. They took over upon their dad's retirement five years ago.

Like many other garden centers, Tom's was receiving increased competition from chains and other independents. It was faced with the prospect of seeing many of its good customers going elsewhere to make their purchases.

According to Charlie Caucci, "We were seeing more and more footballing by everyone. We decided to meet all competition head-on. We wanted to keep our traffic flow and keep our customers."

Tom's felt that a low margin on fertilizer was better than losing customers. After much discussion and meeting with their attorney and other advisers, they came up with the following guarantee.

$5,000 price guarantee

"We guarantee that we will not be undersold! Tom's Garden World will beat any advertised price of our lawn and garden competitors in the Atlantic City press coverage area or you get $5,000. Present to us proof of price and ad prior to purchase, and we will beat that price. All items must be of equal size and quality. Tom's Garden World reserves the right to limit quantities and items to which this guarantee applies. Shop with confidence, largest selection, lowest prices and certainly the most friendly service."

How has the guarantee worked? Caucci says that the response has been tremendous, and there have been a number of side benefits to the guarantee.

He didn't have to study what the competition was doing with fertilizer prices. He spent less time figuring out the layout for fertilizer ads. He cut his fertilizer advertising dollars. He spent more time and space on other, higher profit, items.

Tom's has been able to maintain an average 30 percent margin on fertilizers this year. Total purchases were a little more than $100,000 at cost. Fertilizer sales have been about the same as last year. The bottom line though, according to Caucci, is sales, which were up 35 percent for the first six months of the year.

Ground rules explained

No one collected $5,000, although a few tried. When a person brought in an ad with a lower price several days after making a purchase, it was pointed out to them that competitors' ads must be presented at the time of purchase.

"When the ground rules were clarified for them, there were no hard feelings," Caucci says.

Tom's reserves the right to limit

UPDATE

market share

10 percent.

When asked how sales compared with 1981, 43.9 percent reported an increase, 18.7 percent about the same and 14 percent a decrease.

The totals do not add up to 100 percent because not all respondents carried lawn fertilizer (4.4 percent did not), not all answered the questions on 1981 sales and some were not in business at that time.

LGM's Product Movement Report for spring 1984 corresponds to the summer data. For the spring, 35.5 percent of the respondents said sales were up compared with the previous spring. About 37.3 percent reported sales were about the same, and 13.9 percent reported sales were down.

A common statement from retailers who reported reduced sales was that the LCOs are taking away business. The industry is growing rapidly. Households are spending from $1.5 to $1.8 billion annually with contract applicators, with annual sales increasing 20 to 25 percent a year. Total sales within five years are expected to be at $4 billion.

Related story:
The Andersons: A company to watch, page 12.

In the 1984 **LGM** survey, 41.5 percent of retailers answering the question "Have commercial contract applicators affected your sales?" responded yes; 58.5 percent said no.

Some people think that LCOs have increased the overall market, and with proper merchandising a good operator can continue to increase sales.

In a recent talk, Ronald A. Meier, manager of The Andersons' Lawn Fertilizer Div., said, "LCOs have given the green industry a tremendous boost, and we've ridden the growth curve with them. LCOs have greatly enhanced the public's awareness and joy in a healthy outdoor environment.

"While some volume has undoubtedly shifted from the retailers' shelves to the LCOs', we believe the overall market has grown because of them."

The Andersons is so sure that

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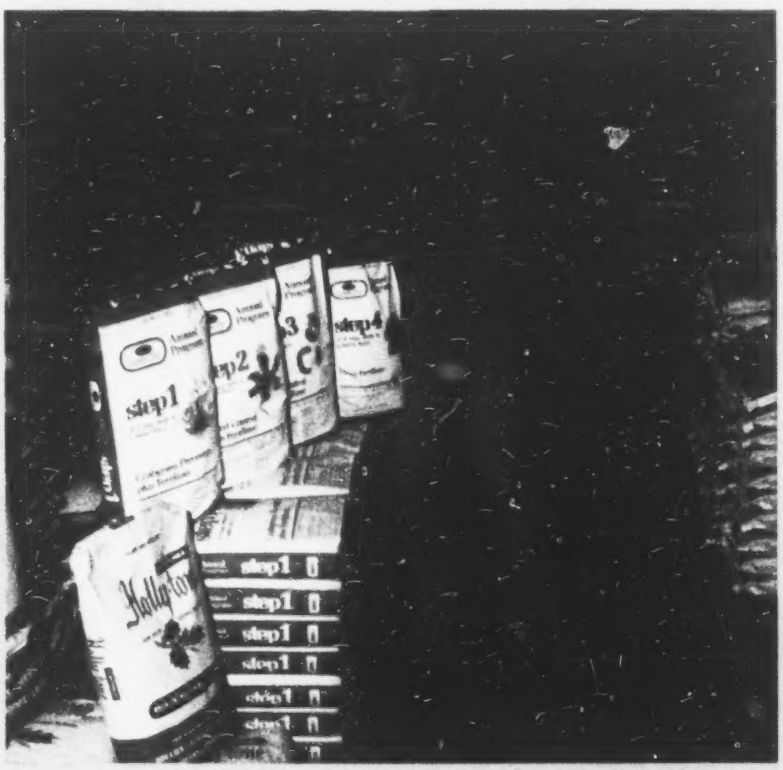
quantities to prevent a competitor from running an exceptionally low price and then sending people into Tom's to obtain their supply.

Whenever a customer brought in an ad for a product of low quality or small size not carried by Tom's, the reason for not carrying that item was explained and the qualities of Tom's products were emphasized. The price guarantee applies to all lawn and garden items, not just fertilizers.

Caucci stresses that knowledgeable in-store salespeople are a must. Selection and quality are equally important. The consumer must be able to shop with ease, receive good quality and be assured of fair prices.

As evidence of the consumers' interest in quality, Tom's tried a sale on a low-end fertilizer product. It did not go over well due to the lack of quality. The consumer wanted better results for his efforts.

Tom's innovative approach to an industrywide situation reinforces the advantage to viewing problems as opportunities. □



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the fertilizer market is going to continue to increase that it has just completed a new plant, which has the second-largest lawn and garden production capacity in the business.

Total sales up

Ralph Gaudio of The G Boys in Marlton, NJ, just east of Philadelphia, says his fertilizer tonnage is definitely up, and LCOs have not hurt business. There are more people wanting a better yard.

Don Zimmerman, assistant general manager of Armstrong Garden Centers in Monrovia, CA, says fertilizers are down as a percent of total business, but total sales for fertilizer are up compared with a year ago. In Southern California, people tend to "buy lots of color for the yard," and lawn services are not affecting sales.

"There is practically no lawn service business here," he says.

A Midwestern dealer says, "Sales are up, and we don't feel threatened by the lawn service companies."

Another eastern dealer, Charlie Caucci of Tom's Garden World, near Atlantic City, NJ, says, "Lawn fertilizer sales are about even with 1983, but 1983 was 34 percent above 1982."

What can a dealer do to increase fertilizer sales and obtain a larger market share?

One person suggests, "Let the lawn service companies continue their heavy ad schedules, their billboards and bright trucks and let the dealer tout the ease of application, low cost per square foot, the joy of doing it yourself, and between the two, the whole market will increase. The expensive job of educating the public will be accomplished."

Meier says that point-of-purchase material is a key to increased sales. Displays and packages should be eye catching, and a little information, but not too much, should be provided.

Stores must also have informed clerks, according to one dealer in the Midwest. They must be able to give answers, solve problems and help the customer get results.

Zimmerman says that service is the key. Employees must be able to help the customer obtain the best results they can. To accomplish this, Armstrong employs people with degrees in horticulture, some certified by the California Assn. of Nurserymen.

Quality needed

Many dealers feel that lawn fertilizer has become a commodity product and should be treated as such. Today's consumers demand quality. They are looking for results, and they are more aware that to get results, they need to apply quality products.

"The consumer is looking for a good fertilizer at a good price," says Gaudio.

Agreed one dealer, "We tried a low-end, low-priced fertilizer sale one weekend, and it bombed. We were left with a lot of low quality fertilizer and more customers' questions than we had anticipated."

Several dealers say they had very good success taking a page from the LCOs' book and selling a three- or four-step program in the spring. Some retailers simply provide a written program outlining the steps people should take to assure a more beautiful lawn.

They can purchase items as needed, or they can pick up everything in one trip to the store. Other retailers display the three or four suggested products together and offer a special price on the combination of products.

Scotts' program is a little different. Called the Lawn Pro Annual Program, it is available only to Lawn Pro dealers. The series provides products from early spring through late fall for do-it-yourselfers and costs about half of what an average lawn care service charges for a 5,000-square foot lawn.

The program was available only in the Northeast and the eastern half of the Midwest this year but will be expanded for 1985.

The program results were substantially better than anticipated, according to a Scotts spokesman.

"It provides the home owner an opportunity to get results at a lower cost versus the applicator. The guesswork is taken out. The Lawn Pro dealer is available to answer any questions, and the consumer is used to the idea of a four-step program from the lawn service advertising," says the spokesman.

Other fertilizer companies are offering multi-step programs, and some dealers are putting their own together. As with everything, there

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One supplier's view of the fertilizer business

■The Andersons of Maumee, OH, opened a new lawn fertilizer production plant near its headquarters this year and in 1985 will open another new plant to serve the East Coast lawn business.

Ronald A. Meier, manager of this division of the company, described their approach to this market at a press conference to demonstrate the company's commitment to this business and to show off the new plant.

"The Andersons fertilizer division is in its 21st year. We're out of our formative years and ready to flex our muscles," he said.

Following are the highlights of his talk:

"We started out in a plant vacated by the Ag Products Group when their huge new plant was completed in the early '60s. At the same time, the company began selling garden supply items in our Maumee general store. Our Cob Division was already producing a wide range of pesticide carriers and fertilizer bulking agents. So, several key resources were available to us and they significantly enhanced our growth.

"We're now the fifth largest lawn and garden fertilizer manufacturer out of the 200 companies supplying the green industry. Our Maumee plant has the second largest lawn and garden production capacity in the business, surpassed only by our Ohio neighbors, O. M. Scott.

"We produce over 500 finished products—fertilizers, insecticides, herbicides, fungicides and many combinations of these products. These are packaged in sewn, open-mouth bags, pinch-bottom paper bags and heat-sealed plastic bags ranging in size from 5 pounds to 60 pounds. In addition, we produce a wide range of small package shelf items—from canisters to bags to boxes in sizes from 2 to 10 pounds.

"The lawn fertilizer division distributes products in 35 states with our targeted market being the Snowbelt from the Rockies to the Atlantic. About two-thirds of our output is sold to retailers. We are the fourth largest mass merchant private label manufacturer in the United States. The balance of our production goes to the professional-user segments, mainly lawn care operators (LCOs) and golf courses.

"LCOs have given the Green Industry a tremendous boost and we've ridden the growth curve with them. LCOs have greatly enhanced the public's awareness and joy in a healthy outdoor environment. While some volume has undoubtedly shifted from the retailer's shelf to the LCOs, we believe the overall market has grown because of them.

"Our goal is to provide excellent service to our customers. We strive to have orders received on Monday delivered by the weekend. Products are palletized and stretch-wrapped to arrive promptly in good, saleable condition. Our graphics capability is second to none in the industry....

"Our lawn fertilizer division is a separate profit center from other company operations. We have our own management team, sales force, distribution department, quality assurance staff, and production facility. We are able to focus totally on the needs of the Green Industry.

"But we do utilize the strengths of our sister divisions. Our Ag Products Group supplies us with strong purchasing power and enormous backup storage....They have the largest fertilizer blend plant in the world just 100 feet from our lawn plant. Ag Products can store over 200,000 tons of raw materials at Maumee....

"In the future, we will be expanding in other market regions. We are finalizing the purchase of a plant to serve the East Coast....

"We are widening our product lines beyond our mainstay dry granular products. For the first time, we will produce liquid products. Our initial offering will be for the do-it-yourself sector. Products will be private labeled for mass merchants and sold under our own label called Green Sweep. We believe this is a product which will fill a long-felt void in the marketplace.

"In summary, we are excited about our industry as a growth opportunity for our company. We've committed substantial resources to the business and plan to be a strong presence in the market of the future." □

Lawn fertilizer

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are advantages and disadvantages to the concept. An advantage is that if customers buy the most basic needs at one time, they are going to be assured of better results, since they are less likely to skip a step.

The entire sale is made at once, so a sale is not going to be missed because the consumer buys the product elsewhere.

One potential disadvantage is that the customer may not come back the two or three times he might have to in making separate purchases for each step. This could be offset with advertising and merchandising to bring the customer back for other items. A plentiful supply of consumer services can help.

Private label fertilizers

Several dealers report a greater use and interest in private label fertilizers. An individual dealer can have a fertilizer formulated to specifications. Retailers can increase their margins on private labels because their own products are not directly comparable to a brand sold by other retailers.

Those dealers carrying private label fertilizer sell anywhere from 5 to 100 percent of their total lawn fertilizer sales as private label. The median was 60 percent.

To counteract any potential loss of sales to lawn care contractors, some retailers are setting up their own lawn service departments. (See "Lawn Care Contracting: Threat or opportunity for retailers?" in the March 1984 **LGM**.)

Some retailers are taking advantage of the LCO market by selling chemicals and fertilizers to the custom applicators. About 17.5 percent of those completing **LGM's** survey reported such sales. Also 17.5 percent reported that they apply chemicals and fertilizer to residential and commercial lawns. In some, but not all, cases, the same company acted as a custom applicator and also sold to custom applicators.

Most retailers are optimistic about continued increased lawn fertilizer sales. Retailers that look at their situations and look at ways to increase sales can maintain their share of the market and include lawn fertilizers as a healthy percentage of overall sales. □